

LSI Tier Violation (Tiers 1, 2 and 3)**Section:** Logger Safety Initiative **Effective:** 01/01/2025**Title:** Tier Violation **Cancels:** New

See Also: [LSI Disciplinary Matrix](#)
[WAC 296-17-940](#) (Logger Safety Initiative)
[WAC 296-17A-5001](#) (Logging NOC)
[WAC 296-17-31004](#) (Coverage Requirements)
[WAC 296-17-35201](#) (Recordkeeping and Retention)
[RCW 40.16.030](#) (Offering False Instrument for Filing or Record)
[RCW 51.48.030](#) (Failure to Keep Records and Make Reports)

Approved by:

Cherell Fisher for the Insurance Services Policy Council

This policy applies to all employers (Tiers 1, 2 and 3) participating in the Logger Safety Initiative Program (LSI).

Tier 1 employers are differentiated as follows:

The employer:

- Is in the LSI Program for the first time, or
- Voluntarily left or was terminated from the program, and has reentered the program, or
- Had their Tier level reduced to Tier 1 as a result of the LSI Industrial Insurance Underwriter (IIU) scoring process, or an employer that was reduced to a Tier 1 as the result of a disciplinary action.

1. Employers must agree to the terms of the Memorandum of Participation (MOP).

When an employer violates the terms of their Memorandum of Participation, the employer:

- Will receive written notification of the violation(s); and
- May be subject to Tier level reduction, suspension, or termination from the LSI Program as outlined in this policy.

NOTE: The LSI Program Office may consult with the LSI Taskforce in making termination decisions.

2. Employers must comply with the Division of Occupational Safety and Health's (DOSH) standards.

As specified in the MOP, employers agree to comply and maintain compliance with applicable safety and health standards administered by DOSH.

- First time Tier 1 employers are subject to the Severe Violator Enforcement case designation ([DOSH Directive 2.68](#)). The LSI Program Office may immediately suspend the employer from their LSI Tier level discount when the employer has a safety and health compliance inspection resulting in Severe Violator Enforcement case designation (DOSH Directive 2.68).

NOTE: If the final decision on appeal is reversed by a finding of fact or law that is final and binding, the employer's account will be retroactively credited the suspended discount amounts for all premiums paid during the period of suspension.

- Employers whose Tier level (1-3) is the result of the LSI Industrial Insurance Underwriting (IIU) scoring process are not subject to the Severe Violator Enforcement case designation (DOSH Directive 2.68). Rather, the LSI Safety Review Panel (SRP) will review and provide a recommendation to L&I for any serious safety issues for which LSI participants were cited.

NOTE: See the LSI [Safety Review Panel Policy](#) for additional details.

3. Employers must undergo and complete an annual DOSH safety and health Consultation of all manual logging conditions and operations.

NOTE: See the [list of paperwork](#) to have ready for a DOSH consultation.

- The DOSH Consultation Program will call the employer to schedule a safety and health consultation.
- If the employer does not respond to the DOSH Consultation Program within ten (10) business days of the second phone call, the LSI Program Office will send a certified letter instructing the employer to contact the LSI Program Office.

- If the employer does not contact the LSI Program Office within thirty (30) days from the receipt of the certified letter, the employer may be subject to suspension or termination from the LSI Program. The LSI Program Office will notify the employer in writing of the department's decision.
- Upon completion of the DOSH consultation and receipt of the DOSH report, the employer must provide confirmation to DOSH that all hazards have been corrected by the due date, or the employer may be subject to suspension or termination from the LSI Program. The LSI Program Office will notify the employer in writing of the department's decision.

4. Employers must submit accurate Monthly Supplemental hours reports.

In addition to filing their standard workers' compensation premium reports for reporting purposes, LSI Employers must also submit accurate Monthly Supplemental hours, to include zero hour Monthly Supplemental reports, for all work performed in risk classification 5001 (LSI risk class codes 5551, 5552 or 5553) when they participate in the LSI Program.

If an employer does not submit a Monthly Supplemental report, the following escalation process applies:

1. If an employer does not submit their monthly supplemental report within ten (10) business days after the end of each month, the LSI Program Office will send a certified letter requesting the employer to submit the missing report within the next ten (10) business days of receipt of letter.
2. If an employer does not comply within ten (10) business days of receipt of the letter, the employer may be subject to either a Tier reduction, suspension or termination from the LSI Program as outlined in this policy.

5. Employers must submit accurate workers' compensation quarterly premium reports.

If an employer submits an inaccurate workers' compensation quarterly report, the employer will receive a letter from their account manager requiring them to submit an amended report(s) within thirty (30) days from the date of the letter. If the employer does not submit an amended report(s) they will lose their "in good standing" status (non-audited quarters only).

6. Employers must maintain their workers' compensation premium account "in good standing" as outlined in WAC 296-17-31004(4).

If an employer's account is not "in good standing," the following escalation process applies:

1. The LSI Program Office will send the employer a certified letter notifying the employer that they are not "in good standing" and that their discounted rate has been suspended as of the first day of the current quarter.
2. If after suspension the account is brought back to "in good standing", the employer will resume their previous Tier level discount effective the first day of the next quarter. Employers are not entitled to a discount for any period during which their account was not "in good standing".
3. If the employer does not bring their account back to "in good standing" within thirty (30) days of the date of the certified letter, the employer may be subject to termination from the program and a new rate notice with the non-discounted rate may be issued.
4. If an employer is terminated from the LSI Program for failure to bring their account back to "in good standing", they may be eligible to reapply for reinstatement into the LSI Program as described in Section 14 of this policy.

7. Employers must participate in required training.

If an employer does not meet the training requirements, as listed in the [Safety Training Requirements Policy](#), the following escalation process applies:

1. LSI Program Office will send the employer a certified letter providing them with upcoming training options and a date by which they must come into compliance.
2. If the employer does not comply, the employer will be subject to Tier reduction or termination as provided in this policy.
3. LSI Program Office will notify the employer in writing of the Department's decision.

8. Employers must not be found to have repeat premium audit findings that resulted in additional premiums owed.

- For purposes of determining whether "repeat" findings have been made, the LSI Program will consider all premium audits that have been conducted.

Exception: Premium audits that were conducted before the employer's initial LSI technical premium audit will not be considered.

9. Employers must not knowingly misrepresent their payroll or employee hours (as provided for in RCW 51.48.020).

- The LSI Program Office may immediately suspend the Tier level discount for any employer who is issued a Notice of Order of Assessment (NOA) of Industrial Insurance Taxes Field Audit from the Department that includes a finding and/or penalty for misrepresentation of worker hours.
- The LSI Program Office may terminate the employer from the program once the NOA is final. The employer will not be eligible for reinstatement for a period of three years from the date of the discount suspension (in the case of an appeal) or the date of termination from the LSI Program. See Section 14 below for more details about reinstatement.
- The Program Office will notify the employer in writing via certified mail of the Department's decision.

NOTE: Audit non-cooperation is determined by Fraud Prevention and Labor Standards (FPLS). Any non-cooperation with the audit process will be subject to suspension or termination per the [disciplinary matrix](#).

10. Employers must not be found to have committed claim suppression (as described in RCW 51.28.010).

- The employer will be notified by Fraud Prevention & Labor Standards and the LSI Program Office, via certified mail, that they have committed claims suppression.
- The effective date of termination will be the first day of the quarter in which the claim suppression occurred.

NOTE: If the employer appeals the department's decision and the decision is overturned by the Board of Industrial Insurance Appeals or a higher level court, the Tier level will be reinstated the first day of the quarter in which the proposed claim suppression occurred. Any adjustment to the premiums paid will be credited to employer's account.

11. Employers must not be found to have substantiated wage complaints.

- The employer will be notified by certified mail that they have substantiated wage complaints.

- The effective date of suspension or termination would be the first day of the quarter in which the substantiated wage complaints occurred.

12. Employers must not be found to have falsely reported the cause of injury.

- The employer will be notified by certified mail that they have falsely reported the cause of injury.
- The effective date of suspension or termination would be the first day of the quarter in which the falsely reported cause of injury occurred.

13. Employers must not be found to be in violation of Title 51 RCW or Title 296 WAC.

- The employer will be notified by the LSI Program Office, via certified mail, that they have been found to be in violation of Title 51 RCW or Title 296 WAC.
- The effective date of Tier reduction, suspension, or termination would be the first day of the quarter in which the violation occurred.

14. Employers must adhere to the following steps if they were terminated from the LSI Program and wish to apply for reinstatement.

- Wait a minimum of one year from the date of termination to reapply to the program. The LSI Tier 1 discount will not become effective for a minimum of four (4) full quarters from the date of termination; but,
- In cases where the employer was terminated from the LSI Program due to a willful violation as described in the [disciplinary matrix](#), the employer must wait at least three (3) years from the date of initial discount suspension or date of termination before they may apply for reinstatement.
- In both instances, the employer must describe how they addressed the deficiency(ies) that resulted in their termination.

NOTE: If the employer is allowed back into the LSI Program, the employer must undergo a compliance audit evaluating four (4) consecutive quarters which may extend to twelve (12) quarters. Statutory penalties and interest, as well as field audit penalties that were waived in the initial Tier 1 technical premium audit, will not be waived.

The LSI Program Office will review the information and make a formal decision on acceptance back into the program.

For further information about this policy, you may contact the Insurance Services' Logger Safety Initiative Program Office at (360) 902-5607.