

**WAC 296-17-31002 General rule definitions.** In developing the general reporting rules and classifications which govern Washington's workers' compensation classification plan, we have used certain words or phrases which could have several meanings. Many of these words or phrases are defined by law in the Revised Code of Washington (*Title 51 RCW*). Some words, however, are not defined by law. To reduce the misunderstanding which can result by our use of certain words or phrases not defined in law (*Title 51 RCW*), we have developed definitions which will govern what these words and phrases mean for purposes of these chapters (*chapters 296-17 and 296-17A of the Washington Administrative Code (WAC)*).

**The following words or phrases mean:**

**Account:** A unique numerical reference that we assign to you that identifies your business or businesses and allows us to track exposure that you report to us and losses (*claims*) which we pay on your behalf.

**Account manager:** An individual who works in the underwriting section of the department of labor and industries and manages an employer's workers' compensation insurance account. An account manager is also referred to as an underwriter.

**Actual hours worked:** A worker's composite work period beginning with the starting time of day that the employee's work day commenced, and including the entire work period, excluding any nonpaid lunch period, and ending with the quitting time each day work was performed by an employee. The following example is provided to illustrate how work hours are to be reported. If you have questions on reporting please contact our underwriting section at 360-902-4817.

**Example:** A carpet installer arrives at the employer's place of business at 8:00 a.m. to pick up supplies, carpet, and the job assignment. The carpet installer arrives at the job site at 9:00 a.m. and works until 12 noon. The installer takes a half hour nonpaid lunch period and resumes working from 12:30 p.m. until 4:00 p.m. The installer then returns to the employer's premise to drop off supplies and carpet waste. The installer leaves the employer's premise at 5:30 p.m. The employer is to report nine hours of work time regardless of whether the employee is paid by the hour or by the number of yards of carpet installed.

**All:** When a classification contains a descriptive phrase beginning with "all" such as in "all employees," "all other employees," "all operations," or "all work to completion," it includes all operations and employments which are normally associated with the type of business covered by the classification. This condition applies even if the operations or employments are physically separated or conducted at a separate location. Operations or employments are to be classified separately when the classification wording requires it, or when the operations or employments are not incidental to, and not usually associated with, the business described by the classification.

**And:** When this word is contained in any rule it is to be considered the same as the phrase "and/or."

**Basic classification:** A grouping of businesses or industries having common or similar exposure to loss without regard to the separate employments, occupations or operations which are normally associated with the business or industry. Basic classifications describe a specific type of business operation or industry such as mechanical logging, sawmills, aircraft manufacturing, or restaurants. In most business operations some workers are exposed to very little hazard, while others are exposed to greater hazard. Since a basic classification reflects the liability (*exposure to hazard*) of a given business or in-

dustry, all the operations and occupations that are common to an industry are blended together and included in the classification. The rate for a basic classification represents the average of the hazards within the classification. All classifications contained in chapter 296-17A WAC are considered basic classifications with the exception of classifications 4806, 4900, 4904, 5206, 6301, 6303, 7100, 7101, and temporary help classifications 7104 through 7122. Classification descriptions contained in WAC 296-17A-0101 through 296-17A-7400 establish the intended purpose or scope of each classification. These descriptions will routinely include types of businesses, operations, processes or employments which are either included or excluded from the classification. These references are not to be considered an all inclusive listing unless the classification wording so specifies.

**Bona fide officer:** Any person empowered in good faith by stockholders or directors, in accordance with articles of incorporation or bylaws, to discharge the duties of such officer.

**But not limited to:** When this phrase is used in any rule in this chapter or 296-17A WAC it is not to be interpreted as an all inclusive list. Such a list is meant to provide examples of operations, employments, processes, equipment or types of businesses which are either included or excluded from the scope of the classification.

**Excludes or excluding:** When a classification contains a descriptive phrase beginning with "excludes" or "excluding" such as "excluding drivers or delivery," "excluding second hand appliance stores," or "excludes construction operations," you must report those operations in a separate classification. If a business fails to keep the records required in the auditing recordkeeping section of rules in this chapter and we discover this, we will assign all workers' hours for which records were not maintained to the highest rated classification applicable to the work which was performed.

**Exposure:** Worker hours, worker days, flat rate, licenses, material, payroll or other measurement which we use to determine the extent to which an employer's workers have been exposed to the hazards found within a particular business or industry classification.

**Free from direction or control:** The contracted individual has the responsibility to deliver a finished product or service without the contracting firm or individual either exercising direct supervision over the work hours or the methods and details of performance or having the right to exercise that authority under the contract.

**Includes or including:** When a classification contains a descriptive phrase beginning with "includes" or "including" such as "including clerical office," "including meter readers," or "includes new construction or extension of lines," you must report these operations in that basic classification even though they may be specifically described by some other classification contained in chapter 296-17A WAC or may be conducted at a separate location.

**Industrial insurance:** Refer to the definition of "workers' compensation insurance."

**N.O.C.:** This abbreviation stands for not otherwise classified. Classifications are often worded in this way when there are many variations of the same general type of business and it would be nearly impossible to list all the variations. Before a classification designated with N.O.C. is used, all other related classifications must be reviewed to determine if the business or industry is specified in another classification.

**Example:** *You operate a retail store that sells greeting cards. In our search to classify your business we come across a classification*

that covers retail stores N.O.C. Before our underwriter assigns this classification to your business, they would look at other retail store classifications to see if a more precise classification could be found. In our review we note several classifications such as grocery and department stores where greeting cards are sold. None of these classifications, however, specify that they include stores that exclusively sell greeting cards. Classification 6406 "Retail stores, N.O.C.," on the other hand, contains language in its description that states it includes stores that sell items such as greeting cards, table top appliances, and tropical fish and birds. We would assign classification 6406 "Retail stores, N.O.C." to your business.

**Or:** Refer to the definition of the word "and."

**Premium:** The total amount of money owed to the department of labor and industries as calculated by multiplying the assigned classification composite rate by the total units of exposure.

**Principal:** When referencing **principal business, principal operations, principal enterprise, or principal classification;** refers to the business or portion of the business described by the basic classification with the most exposure (worker hours).

**Principal place of business:** The physical location of the business from which the contract of service is directed and controlled.

**Rate:** The amount of premium due for each unit of exposure. All rates are composite rates per worker hour except as otherwise provided for by other rules in this chapter or 296-17A WAC.

**Related by blood within the third degree:** The degree of kinship as computed according to the rules of civil law.

**Related by marriage:** The union subject to legal recognition under the domestic relations laws of this state.

**Risk:** All insured operations of one employer within the state of Washington.

**Temporary staffing services:** Means the same as temporary help company, and applies to any person, firm, association or corporation conducting a business which consists of employing individuals directly for the purpose of furnishing such individuals on a part-time or temporary help basis to others.

**Underwriter:** Refer to the definition of an "account manager."

**Within a reasonable period:** Establishing an account with state agencies shall be the time prior to the first date on which the individual begins performance of service toward the contract or the date upon which the individual is required to establish an account with a state agency, as otherwise required by law, whichever event occurs later.

**Work day:** Any consecutive twenty-four hour period.

**Work hour:** Refer to the definition of "actual hours worked."

**Workers' compensation insurance:** The obligation imposed on an employer by the industrial insurance laws (*Title 51 RCW*) of the state of Washington to insure the payment of benefits prescribed by such laws.

[Statutory Authority: RCW 51.04.020 and 51.16.035. WSR 16-14-085, § 296-17-31002, filed 7/5/16, effective 1/1/17. Statutory Authority: RCW 51.04.020, 51.16.035, and 51.16.100. WSR 12-11-109, § 296-17-31002, filed 5/22/12, effective 7/1/12; WSR 11-24-022, § 296-17-31002, filed 11/30/11, effective 1/1/12. Statutory Authority: RCW 51.16.035 and 51.04.020. WSR 10-10-108, § 296-17-31002, filed 5/4/10, effective 7/1/10. Statutory Authority: RCW 51.16.035, 51.16.100, 51.04.020(1). WSR 09-16-110, § 296-17-31002, filed 8/4/09, effective 10/1/09. Statutory Authority: RCW 51.06.035, 51.08.010, 51.04.020. WSR 07-12-045, §

296-17-31002, filed 5/31/07, effective 7/1/07. Statutory Authority: RCW 51.16.035, 51.16.100. WSR 05-12-031, § 296-17-31002, filed 5/24/05, effective 7/1/05. Statutory Authority: RCW 51.04.020 and 51.16.035. WSR 04-18-025, § 296-17-31002, filed 8/24/04, effective 10/1/04. Statutory Authority: RCW 51.04.020, 51.16.035, and 51.12.120. WSR 03-23-025, § 296-17-31002, filed 11/12/03, effective 1/1/04. Statutory Authority: RCW 51.16.035. WSR 98-18-042, § 296-17-31002, filed 8/28/98, effective 10/1/98.]