

July 1, 2015

DES starts developing self-insurance rules

The 2015 Legislature passed Senate Bill 5119, which creates a new chapter in chapter in [Title 48 Revised Code of Washington](#) that separates nonprofit joint self-insurance programs (risk pools) from local government (municipal) risk pools.

The updated law triggers the need for rulemaking to align state rules with current law. The Washington Department of Enterprise Services (DES) plans to work closely with stakeholders throughout the rulemaking process.

DES will be proposing changes so that there is a rule for local governments and also a rule for nonprofit corporations. Previously, nonprofit organizations and municipal risk pools were covered by [the same chapter of the law](#), and because of this only one related rule was needed.

DES is holding three workshops on the draft rules. All meetings will be held in Olympia at 1500 Jefferson St. in Room 2208. Times and dates are:

- Thursday, July 9 from 10:30 a.m. to 12:30 p.m.
- Wednesday, July 15 from noon to 2 p.m.
- Wednesday, July 22 from 1:30 to 3:30 p.m.

Since rule drafting work will build on progress based on the discussions at each subsequent workshop, participants are highly encouraged to attend all three sessions.

Aside from the new ability for nonprofit corporations to form risk pools with similar entities from other states, DES anticipates the new proposed rules will largely reflect the current rule; any other changes will be mainly clarifications and minor changes to match state law.

DES has filed a notice with the state Office of the Code Reviser that the agency intends to engage in this rulemaking effort. This first step, the CR -101: Preproposal Statement of Inquiry must be taken before stakeholders can be invited to participate in the agency's rulemaking process. The CR-101 must be published in the Washington State Register at least 30 days before DES can take the next step, filing the CR-102: Proposed Rule Making, marking the formal beginning of rulemaking.

Once the CR-102 is filed, DES will hold a public hearing for each proposed rule in Eastern Washington and another public hearing for each proposed rule in Western Washington.

More information is available on the [DES rule making web page](#).

The updated law – [Senate Bill 5119](#) – takes effect July 24 but does not specify a time frame for adopting new state rules. This means that current risk pools should use a business as usual approach until DES adopts the new rules. Nonprofit corporations may submit applications to change existing risk pools or to form new multi-state risk pools after July 24.

If you have questions about the rulemaking process, please contact DES Policy and Rules Manager [Jack Zeigler](#) at (360) 407-9209.

If you have questions about existing risk pool operations or forming new risk pools, please contact DES [Shannon Stuber](#) at (360) 407-8153.
