

# Retrospective Rating Program Reform

**WRA Position:** Protect the WRA's ability to offer a competitive and fiscally attractive Retro program to our members.

## Suggested Talking Points:

- The WRA's Retro program is important for my business's ability to improve safety for my employees at competitive costs.
- The Legislature should refrain from adopting legislation that further limits the ability of small businesses to participate in Retro programs.
  - The WRA's Retro program has consistently delivered on the policy goals for which Retro programs were established:
    - ☑ Improved worker' safety performance by its members
    - ☑ Improved safety awareness and education in the workplace
    - ☑ Cost control

**Background:** The WRA has operated a Retrospective Rating program for its members since 1986. Today, the program serves more than 1,600 businesses with more than 3,000 locations around the state. The program has consistently achieved the policy objectives of improving worker safety performance at competitive costs in WRA member restaurants through safety education and awareness programs and claims management expertise.

At the urging of organized labor, many lawmakers have worked to "reform" Retrospective rating programs to limit the opportunity for refunds to Retrospective Rating programs, and to restrict Retro programs' ability to choose how their refunds

will be used. These suggested changes are in response to some Retro programs opting to fund political campaigns with refunds from Retrospective Rating programs.

During 2009, the Department of Labor and Industries (L&I) adopted two significant changes in how Retro refunds will be calculated. These modifications substantially lower the opportunity for Retro refunds and increase the risk for small employers' participation in Retro programs. The WRA is working with L&I on other potential changes that could impact, perhaps positively, the ability to provide Retro programs for small and large businesses.