

WAC 284-15-050 Surplus line—Waiver of financial requirements.

(1) The commissioner may waive the financial requirements specified in RCW 48.15.090 in circumstances where insurance cannot be otherwise procured on risks located in this state. Except as set forth in (e) of this subsection, at least the following information must be submitted when a surplus line broker requests the commissioner to waive the financial requirements:

(a) A detailed letter explaining the need to waive the financial requirements;

(b) Documentation of the financial condition of the proposed insurer as reported in its annual statement as of the end of the preceding calendar year;

(c) Summary information showing the number of years the company has been writing the specific line of insurance;

(d) A written acknowledgment signed by the proposed insured confirming all of the following:

(i) The insured has been informed that the coverage will be issued by an insurer (or insurers) that is not an authorized insurer in the state of Washington;

(ii) The insured understands that financial requirements for surplus line insurers must be waived by all parties concerned to enable this coverage to be obtained; and

(iii) The insured understands that there is no protection for the insured under the Washington Insurance Guaranty Association because the coverage will be issued by an unauthorized insurer;

(e) For accounts requiring a multiplicity of insurers, in lieu of the requirements in (b) and (c) of this subsection, the commissioner may accept certification from a surplus line broker that the broker has investigated the financial condition of the prospective insurers and is satisfied that they are capable of underwriting the specified risks. Records and documents supporting the broker's certification must be maintained by the broker for the term of the policies and as long thereafter as a claim may be litigated, but in no case less than five years after completion of the transaction.

(2) In no event will the commissioner waive the financial requirements when the insurer's capital and surplus is less than four million five hundred thousand dollars.

[Statutory Authority: RCW 48.02.060, 48.15.040(4), and 48.15.090(2). WSR 12-04-082 (Matter No. R 2011-10), § 284-15-050, filed 1/31/12, effective 3/2/12. Statutory Authority: RCW 48.02.060, 48.15.040(4), 48.15.073(2), and 48.15.160(2). WSR 08-14-169 (Matter No. R 2008-04), § 284-15-050, filed 7/2/08, effective 8/2/08. Statutory Authority: RCW 48.02.060. WSR 89-03-060 (Order R 89-2), § 284-15-050, filed 1/17/89; WSR 81-03-082 (Order R 81-1), § 284-15-050, filed 1/21/81.]