

**WAC 284-23-410 Definition of replacement.** "Replacement" means any transaction in which new life insurance or a new annuity is to be purchased, and it is known or should be known to the proposing insurance producer, or to the proposing insurer if there is no insurance producer, that by reason of the transaction, existing life insurance or annuity has been or is to be:

(1) Lapsed, forfeited, surrendered, or partially surrendered, assigned to the replacing insurer, or otherwise terminated;

(2) Converted to reduced paid-up insurance, continued as extended term insurance, or otherwise reduced in value by the use of nonforfeiture benefits or other policy values;

(3) Amended so as to effect either a reduction in benefits or in the term for which coverage would otherwise remain in force or for which benefits would be paid;

(4) Reissued with any reduction in cash value; or

(5) Used in a financed purchase or pledged as collateral or subjected to borrowing, whether in a single loan or under a schedule of borrowing over a period of time for amounts in the aggregate exceeding 25 percent of the loan value set forth in the policy.

[Statutory Authority: RCW 48.02.060(3), 48.23.015(8), and 2023 c 64. WSR 23-23-049 (Matter R 2023-05), § 284-23-410, filed 11/7/23, effective 1/1/24. Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). WSR 11-01-159 (Matter No. R 2010-09), § 284-23-410, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060. WSR 87-14-015 (Order R 87-6), § 284-23-410, filed 6/23/87, effective 9/1/87; WSR 80-05-098 (Order R 80-5), § 284-23-410, filed 5/2/80, effective 10/1/80.]