WAC 284-110-010 Definitions. The definitions in this section apply throughout this chapter.

(1) "Most recent financial statements" means a partial fiscal year financial statement to include year-end totals, if available. For start-up applicants, formed less than one fiscal year, partial fiscal year financial statements shall include the months from formation to current.

(2) "Statutory accounting principles" means the current year accounting practices and procedures manual as adopted by the national association of insurance commissioners. Service contract providers and protection product guarantee providers must follow all statement of statutory accounting principles with a type of issue of "common area" and "property and casualty." Any permitted accounting practices from a domiciliary state regulator shall not be used in determining minimum net worth. Only service contract providers or protection product guarantee providers relying on RCW 48.110.050 (2)(a) or 48.110.075 (2)(a) may elect to use statutory accounting principles.

(3) "Material changes or additions" as referred to in RCW 48.110.030(6) and 48.110.055(7) means the following:

(a) Any financial condition where the registrant, or its parent company if applicable, fails to maintain the net worth requirements under RCW 48.110.030 (2)(c)(i) and (ii) and 48.110.055 (3)(e).

(b) The information referred to in RCW 48.110.030 (2)(a) and (b).

(c) Change of financial responsibility or faithful performance requirements under RCW 48.110.050 (2)(a) through (c).

(d) The information referred to in RCW 48.110.055 (2)(b) through (3)(d).

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.110.150. WSR 26-07-041 (Matter R 2025-09), s 284-110-010, filed 3/12/26, effective 4/12/26. Statutory Authority: RCW 48.02.060 and 48.110.150. WSR 20-24-123, § 284-110-010, filed 12/2/20, effective 1/2/21.]