

Chapter 284-110 WAC
SERVICE CONTRACTS AND PROTECTION PRODUCT GUARANTEES

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WAC

284-110-010 Definitions.
284-110-020 Certified financial statement.
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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 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 and 48.110.150. WSR 20-24-123, § 284-110-010, filed 12/2/20, effective 1/2/21.]

WAC 284-110-020 Certified financial statement. (1) RCW 48.110.030 and 48.110.055 permit service contract providers and protection product guarantee providers to submit financial statements certified as accurate by two or more officers of the service contract provider or protection product guarantee provider in lieu of audited financial statements in certain circumstances. Certified financial statements must include all the financial statements, notes, and information that accurately present the financial position of the provider at the report date. Management is responsible for the preparation and fair presentation of these financial statements in conformity with the accounting practices prescribed or permitted under chapter 48.110 RCW and this chapter.

(2) Only service contract providers and protection product guarantee providers filing certified financial statements must use the prescribed certification of financial statements form that is available on the commissioner's website.

[Statutory Authority: RCW 48.02.060 and 48.110.150. WSR 20-24-123, § 284-110-020, filed 12/2/20, effective 1/2/21.]

WAC 284-110-030 Parental guarantee. Service contract providers relying on RCW 48.110.050 (2)(c) to demonstrate financial responsibility or assure faithful performance must use the prescribed parental guarantee form that is available on the commissioner's website.

[Statutory Authority: RCW 48.02.060 and 48.110.150. WSR 20-24-123, § 284-110-030, filed 12/2/20, effective 1/2/21.]