

**RCW 48.110.055 Protection product guarantee providers—
Obligations—Application—Required information—Grounds for refusal—
Annual renewal.** (1) This section applies to protection product
guarantee providers.

(2) A person must not act as, or offer to act as, or hold himself
or herself out to be a protection product guarantee provider in this
state, nor may a protection product be sold to a consumer in this
state, unless the protection product guarantee provider has:

(a) A valid registration as a protection product guarantee
provider issued by the commissioner; and

(b) Either demonstrated its financial responsibility or assured
the faithful performance of the protection product guarantee
provider's obligations to its protection product guarantee holders by
insuring all protection product guarantees under a reimbursement
insurance policy issued by an insurer holding a certificate of
authority from the commissioner or a risk retention group, as defined
in 15 U.S.C. Sec. 3901(a)(4), as long as that risk retention group is
in full compliance with the federal liability risk retention act of
1986 (15 U.S.C. Sec. 3901 et seq.), is in good standing in its
domiciliary jurisdiction, and properly registered with the
commissioner under chapter 48.92 RCW. The insurance required by this
subsection must meet the following requirements:

(i) The insurer or risk retention group must, at the time the
policy is filed with the commissioner, and continuously thereafter,
maintain surplus as to policyholders and paid-in capital of at least
fifteen million dollars and annually file audited financial statements
with the commissioner; and

(ii) The commissioner may authorize an insurer or risk retention
group that has surplus as to policyholders and paid-in capital of less
than fifteen million dollars, but at least equal to ten million
dollars, to issue the insurance required by this subsection if the
insurer or risk retention group demonstrates to the satisfaction of
the commissioner that the company maintains a ratio of direct written
premiums, wherever written, to surplus as to policyholders and paid-in
capital of not more than three to one.

(3) Applicants to be a protection product guarantee provider must
make an application to the commissioner upon a form to be furnished by
the commissioner. The application must include or be accompanied by
the following information and documents:

(a) The names of the protection product guarantee provider's
executive officer or officers directly responsible for the protection
product guarantee provider's protection product guarantee business and
their biographical affidavits on a form prescribed by the
commissioner;

(b) The name, address, and telephone number of any administrators
designated by the protection product guarantee provider to be
responsible for the administration of protection product guarantees in
this state;

(c) A copy of the protection product guarantee reimbursement
insurance policy or policies;

(d) A copy of each protection product guarantee the protection
product guarantee provider proposes to use in this state;

(e) The most recent annual financial statements, if available, or
the most recent financial statements certified as accurate by two or
more officers of the applicant which prove that the applicant has and
maintains a minimum net worth or stockholder's equity of two hundred

thousand dollars or more calculated in accordance with RCW 48.110.078 and the ability to pay its debts when debts become due; and

(f) A nonrefundable application fee of two hundred fifty dollars.

(4) Each registered protection product guarantee provider must appoint the commissioner as the protection product guarantee provider's attorney to receive service of legal process issued against the protection product guarantee provider in this state upon causes of action arising within this state. Service upon the commissioner as attorney constitutes effective legal service upon the protection product guarantee provider.

(a) With the appointment the protection product guarantee provider must designate the person to whom the commissioner must forward legal process so served upon him or her.

(b) The appointment is irrevocable, binds any successor in interest or to the assets or liabilities of the protection product guarantee provider, and remains in effect for as long as there could be any cause of action against the protection product guarantee provider arising out of any of the protection product guarantee provider's contracts or obligations in this state.

(c) The service of process must be accomplished and processed in the manner prescribed under RCW 48.02.200.

(5) The commissioner may refuse to issue a registration if the commissioner determines that the protection product guarantee provider, or any individual responsible for the conduct of the affairs of the protection product guarantee provider under subsection (3)(a) of this section, is not competent, trustworthy, cannot demonstrate a minimum net worth or stockholder's equity in accordance with the applicable requirements of subsection (3)(e) of this section and the ability to pay its debts when debts become due, or has had a license as a protection product guarantee provider or similar license denied or revoked for cause by any state.

(6) A registration issued under this section is valid, unless surrendered, suspended, or revoked by the commissioner, or not renewed for so long as the protection product guarantee provider continues in business in this state and remains in compliance with this chapter. A registration is subject to renewal annually on the first day of July upon application of the protection product guarantee provider and payment of a fee of two hundred fifty dollars. If not so renewed, the registration expires on the June 30th next preceding.

(7) A protection product guarantee provider must keep current the information required to be disclosed in its registration under this section by reporting all material changes or additions within thirty days after the end of the month in which the change or addition occurs. [2019 c 16 § 3; 2016 c 224 § 4; 2011 c 47 § 17; 2006 c 274 § 17.]