

WAC 284-19-080 Procedure after inspection and submission. (1)

Within three business days after receipt of the inspection report, the facility shall notify the insured and the agent that:

(a) The risk is acceptable; or

(b) The risk will be acceptable if the improvements noted in the action report are made by the applicant and confirmed by reinspection; or

(c) The risk is not acceptable for the reasons stated in the action report.

(2) If the risk is accepted by the facility, and upon receipt of premium, the policy or binder shall be delivered within two business days. No coverage shall commence until the application is accepted and the premium paid to the facility.

(3) In the event a risk is declined because it fails to meet reasonable underwriting standards, the facility will so notify the applicant and the commissioner. Reasonable underwriting standards shall include the following:

(a) Physical condition of the property, such as its construction, heating, wiring, evidence of previous fires or general deterioration;

(b) Its present use or housekeeping, such as vacancy, overcrowding, storage of rubbish or flammable materials;

(c) Other specific characteristics of ownership, condition, occupancy or maintenance which are violative of public policy and result in unreasonable exposures to loss. Neighborhood or area location or any environmental hazard beyond the control of the property owner is not an acceptable criterion for declining a risk.

(4) If the risk is conditionally declined because the property does not meet reasonable underwriting standards, but can be improved to meet such standards, the facility shall promptly advise the applicant and the commissioner what improvements noted in the action report should be made to the property. Upon completion of the improvements by the applicant or property owner, the facility will have the property promptly reinspected.

(5) If the inspection of the property reveals that there are one or more substandard conditions, surcharges shall be imposed in conformity with the substandard rating plan approved by the commissioner. In this event, the facility shall advise the applicant of what improvements, if any, the applicant may make to bring the property to insurable condition at unsurcharged rates.

[Statutory Authority: RCW 48.02.060. WSR 98-13-095 (Matter No. R 98-10), § 284-19-080, filed 6/16/98, effective 7/17/98; Order R-69-1, § 284-19-080, filed 1/28/69.]