

WAC 284-34-240 What practices are insurers prohibited from doing? The following practices, when engaged in by insurers in connection with the sale or placement of credit insurance, or as an inducement thereto, constitute unfair methods of competition and are subject to the enforcement provisions of RCW 48.30.010. An insurer must not:

(1) Offer or grant to a creditor any special advantage or service that is not included in either the group insurance contract or in the agency contract. This subsection does not prohibit payment of agent's commissions.

(2) Agree to deposit with a bank or financial institution money or securities of the insurer with the design or intent that the deposit will affect or replace a deposit of money or securities that otherwise would be required of the creditor by the bank or financial institution as a compensating balance or offsetting deposit for a loan or other advancement.

(3) Deposit money or securities without interest or at a lesser rate of interest than is currently being paid by the creditor, bank or financial institution to other depositors of like amounts for similar durations. This subsection does not prohibit an insurer from maintaining demand deposits or premium deposit accounts that the insurer needs to use in the ordinary course of the insurer's business.

[Statutory Authority: RCW 48.02.060, 48.30.010, 48.34.100, and 48.34.110. WSR 05-02-076 (Matter No. R 2002-02), § 284-34-240, filed 1/4/05, effective 4/1/05.]