

**WAC 284-34-110 What definitions are important throughout this regulation?** (1) **"Affiliate"** has the same meaning as stated in RCW 48.31B.005(1).

(2) **"Closed-end credit"** means any credit transaction that does not meet the definition of open-end credit.

(3) **"Control"** has the same meaning as stated in RCW 48.31B.005(2).

(4) **"Compensation"** means any form of payment that results directly from the sale of consumer credit insurance, including:

- (a) Commissions;
- (b) Dividends;
- (c) Equipment;
- (d) Expense allowances or reimbursements;
- (e) Experience refunds;
- (f) Facilities;
- (g) Gifts;
- (h) Goods or services;
- (i) Retrospective rate credits; or
- (j) Service fees.

(5) **"Consumer credit insurance"** means credit life insurance or credit accident and health insurance defined in RCW 48.34.030.

(6) **"Credit transaction"** means an agreement to:

- (a) Repay money loaned;
- (b) Pay for a loan commitment made; or
- (c) Pay for goods, services, or property sold or leased.

Payment would be made at a future date or dates.

(7) **"Evidence of individual insurability"** means a statement furnished by the debtor related to:

- (a) The health status or health or medical history of the debtor;
- (b) The occupation of the debtor; or
- (c) Other conditions for the insurance to take effect.

Evidence of individual insurability does not include information related to the eligibility of the debtor for coverage.

(8) **"Loss ratio"** means incurred claims divided by the sum of earned premiums and imputed interest earned on unearned premiums. The commissioner imputes interest at the maximum rate permitted for the valuation of whole life insurance.

(9) **"Net debt"** means the amount needed to repay all remaining debt in a single payment. Net debt does not include unearned interest and other unearned finance charges.

(10) **"Open-end credit"** means a credit agreement in which the creditor:

- (a) Allows repeated transactions;
- (b) Applies finance charges to unpaid balances; and
- (c) May allow additional credit if part of the balance is repaid.

(11)(a) **"Preexisting condition"** means any condition for which the insured debtor received medical advice, consultation, or treatment.

(b) The insured debtor must have received the medical advice, consultation or treatment within six months before the insurance takes effect.

(c) The insured debtor must have become disabled within six months after the insurance takes effect.

(12) **"Premium"** means the same as RCW 48.18.170, and includes all forms of compensation.

(13) **"Underwriting"** means applying criteria under which the insurer:

- (a) Issues or refuses to issue;

(b) Renews or refuses to renew; or

(c) Limits coverage.

Underwriting includes decisions by the insurer based on eligibility criteria or evidence of individual insurability.

[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), § 284-34-110, filed 1/4/05, effective 4/1/05.]