RCW 48.110.060 Reimbursement insurance policies insuring service contracts or protection product guarantees. (1) Reimbursement insurance policies insuring service contracts or protection product guarantees issued, sold, or offered for sale in this state or issued or sold to consumers in this state shall state that the insurer that issued the reimbursement insurance policy shall either reimburse the provider, or in the event of nonperformance by the provider or the provider is unable to fulfill its contractual obligations to the consumer, shall pay on behalf of the service contract provider or the protection product guarantee provider all sums the service contract provider or the protection product guarantee provider is legally obligated to pay, including but not limited to the refund of the full purchase price of the service contract to the service contract holder or shall provide the service which the service contract provider or the protection product guarantee provider is legally obligated to perform according to the service contract provider's or protection product guarantee provider's contractual obligations under the service contracts or protection product guarantees issued or sold by the service contract provider or the protection product guarantee provider.

(2) The reimbursement insurance policy or policies shall either fully insure the obligations of the service contract provider or protection product guarantee provider or insure only in the event of service contract provider or protection product guarantee provider default or failure to perform.

(3) The reimbursement insurance policy or policies shall state that the service contract holder or protection product guarantee holder is entitled to apply directly to the reimbursement insurance company for payment or performance due.

(4) If a reimbursement insurance policy only pays or provides benefits in the event of nonperformance by the provider or when the provider is unable to fulfill its contractual obligations, then the policy must also state that in the event a covered service or product is not provided by the service contract provider or protection product guarantee provider within 30 days of proof of loss by the service contract holder or protection product guarantee holder the service contract holder or protection product guarantee holder is entitled to apply directly to the reimbursement insurance company for payment or performance due. If the service contract provider or protection product guarantee provider has ceased operation, the service contract holder or protection product guarantee holder may apply directly to the reimbursement insurance company for payment or performance due without waiting 30 days. [2025 c 50 s 4; 2006 c 274 s 7; 1999 c 112 s 7.]