

WAC 284-24-100 Schedule rating plan rules. (1) An insurer may file a schedule rating plan for the following monoline or packaged types or subtypes of insurance:

- (a) Commercial automobile;
- (b) Commercial crime;
- (c) Commercial fidelity and surety;
- (d) Commercial general liability;
- (e) Commercial inland marine;
- (f) Commercial multiperil; and
- (g) Commercial property.

(2) A schedule rating plan must provide for no more than a twenty-five percent credit (reduction) or debit (charge). A schedule rating plan must not be combined with other rating plans or rating rules in such a way that the schedule rating affects the premium by more than twenty-five percent.

(3) If an expense modification rule does not prescribe specific credits or debits for particular situations the commissioner will consider it similar to schedule rating. In this case, the combined effect of schedule and expense modifications must not exceed twenty-five percent.

(4) If an expense modification plan prescribes specific credits for particular situations, such as various premium size ranges or commission levels, the insurer is not required to include these credits or debits in the twenty-five percent schedule rating maximum.

(5) A schedule rating plan must provide for an objective analysis or risk by the insurer and be based on specific information that support the rating decision. An insurer may consider these types of risk factors:

- (a) Management capacity for loss control and risk improvement, including financial and operating performance.
- (b) Condition and upkeep of premises and equipment.
- (c) Location of risk and suitability of occupancy.
- (d) Quality of fire and police protection.
- (e) Employee training, selection, supervision, or similar elements.
- (f) Type of equipment.
- (g) Safety programming.
- (h) Construction features and maintenance.
- (i) Classification variances, including differences from average hazards.

(6) If a risk is rated below average (debited) under a schedule rating plan, the insurer must advise an insured or applicant, upon timely request, of the factors that led to the adverse rating so that the insured or applicant can take appropriate corrective action.

(7) The insurer must administer each schedule rating plan equitably and apply it fairly to every eligible applicant or insured.

(8) The insurer must keep documentation that supports the development of individual risk modifications for the later of three years or the end of the next regular examination conducted by its home state insurance regulator.

(a) The insurer must make these documents available for examination by the commissioner upon request.

(b) The records must include copies of all documentation used in the development of each individual risk modification, even if a credit or debit does not result.

[Statutory Authority: RCW 48.02.060, 48.110.150. WSR 08-21-091 (Matter No. 2007-11), § 284-24-100, filed 10/15/08, effective 2/1/09. Statutory Authority: RCW 48.02.060, 48.19.080, 48.19.370 and 48.19.020. WSR 98-20-102 (Matter No. R 98-4), § 284-24-100, filed 10/7/98, effective 11/7/98. Statutory Authority: RCW 48.02.060, 48.19.080 and 48.19.370. WSR 90-13-041 (Order R 90-5), § 284-24-100, filed 6/14/90, effective 7/15/90. Statutory Authority: RCW 48.02.060. WSR 85-23-031 (Order R 85-4), § 284-24-100, filed 11/14/85.]