WAC 284-34-190 What refund formulas are allowed? (1) The commissioner must approve refund formulas before they are used. The insurer must state the basis for the refund in the policy or certificate delivered to the debtor. The following methods, or other methods approved by the commissioner must be used:

(a) Pro rata method. The pro rata unearned gross premium method must be used for:

(i) Level term credit life insurance;

(ii) Credit accident and health insurance if the insured is covered for a constant maximum indemnity; and

(iii) All credit insurance where the debtor is not charged on the single premium basis.

(b) Rule of anticipation. Unless the coverage is listed in (a) of this subsection, the refund must be at least what would have been charged for the remaining coverage for the remaining term of debt. An insurer may file other methods if they generate equivalent results.

(2) If coverage ends:

(a) The insurer may not charge insurance premium for the first fifteen days of a month.

(b) The insurer may charge premium for a full month if the debtor is covered for sixteen days or more.

(3) No refund of five dollars or less need be made.

[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), § 284-34-190, filed 1/4/05, effective 4/1/05.]