

**WAC 284-36A-005 Purpose and scope.** This chapter applies to all fraternal benefit societies transacting the business of life and disability insurance in this state. The risk-based surplus standard in this chapter provide a mechanism for the commissioner to evaluate the ability of a fraternal benefit society to manage its insurance operations and to fulfill its responsibilities as tax-exempt benevolent and charitable organization for the benefit of members and others. The risk-based surplus standard of this chapter is a minimum standard. It is an estimate of the surplus level required of a fraternal benefit society that is necessary so that the entity may survive a series of catastrophic financial events. The risk-based surplus formula is the ratio of the fraternal benefit society's total adjusted surplus to its risk-based surplus.

[Statutory Authority: RCW 48.02.060, 48.36A.100(7), 48.36A.290(4), 48.36A.100, 48.36A.282, 48.36A.284, 48.36A.286, 48.36A.290, 48.36A.310 and 1996 c 236. WSR 96-22-064 (Matter No. R 96-5), § 284-36A-005, filed 11/4/96, effective 12/5/96.]