

WAC 284-18-440 Transactions subject to prior notice—Notice filing. (1) An insurer required to give notice of a proposed transaction under RCW 48.31B.030, must furnish the required information on Form D, set forth in WAC 284-18-940.

(2) Agreements for cost-sharing services and management services must at a minimum and as applicable:

(a) Identify the person providing the services and the nature of the services;

(b) Set forth the methods to allocate costs;

(c) Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the accounting practices and procedures manual;

(d) Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;

(e) State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;

(f) Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;

(g) Specify that all books and records of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer;

(h) State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer;

(i) Include standards for termination of the agreement with and without cause;

(j) Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services;

(k) Specify that, if the insurer is placed in receivership or delinquency proceedings by the commissioner under either chapter 48.31 or 48.99 RCW, or both:

(i) All of the rights of the insurer under the agreement extend to the receiver or commissioner; and

(ii) All books and records will immediately be made available to the receiver or commissioner, and must be turned over to the receiver or commissioner immediately upon the receiver or the commissioner's request;

(l) Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in receivership under either chapter 48.31 or 48.99 RCW, or both; and

(m) Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a delinquency proceeding by the commissioner under either chapter 48.31 or 48.99 RCW, or both, and will make them available to the receiver, for so long as the affiliate continues to receive timely payments for services rendered.

[Statutory Authority: RCW 48.02.060, 48.31B.040, chapter 48.31B RCW, and 2015 c 122. WSR 15-22-062 (Matter No. R 2015-05), § 284-18-440, filed 10/30/15, effective 1/1/16. Statutory Authority: RCW 48.02.060 and 1993 c 462 § 9. WSR 93-19-005 (Order R 93-9), § 284-18-440, filed 9/1/93, effective 10/2/93.]