

WAC 284-20A-030 Information a medical malpractice insurer must provide to the insured if the insurer takes an adverse underwriting action. Significant risk factors are the components of a risk profile that require notice under RCW 48.18.547(3). If a provider has any significant risk factors that affect the provider's risk profile and may increase the potential for future medical malpractice claims, the insurer must explain each significant risk factor to the insured in clear and simple language.

(1) The insurer must explain to the insured how each significant risk factor adversely affects the insured's:

- (a) Eligibility for insurance;
- (b) Eligibility for premium credits; or

(c) Ability to buy insurance without the application of rating rules that result in premium debits, surcharges, or assessments.

(2) Insurers do not have to provide notice if:

(a) The provider asks for product options that increase premium or reduce coverage, such as:

- (i) Deductible or retention changes;
- (ii) Increased coverage limits; or
- (iii) Coverage options.

(b) The provider changes their business in a way that increases exposure, such as adding staff or types of services performed; or

(c) The classification plan includes rating rules that result in automatic premium increases, such as a claims-made policy step-rating rule that increases premium based on years of practice.

(3) For the purposes of this section:

(a) **"Classification plan"** means a plan to formulate different premiums for the same coverage based on group characteristics. Classification plans group, for rating purposes, risks that have similar insuring, risk and exposure factors.

(b) **"Premium"** has the same meaning as in RCW 48.18.170.

(c) **"Rating rule"** means a factor, formula, rule or procedure used to calculate premium. Rating rules include, but are not limited to:

- (i) Experience rating plans;
- (ii) Rating factors or tiers;
- (iii) Surcharge or discount rules; and
- (iv) Schedule rating plans.

(d) **"Significant risk factor"** means a material element of the insured's risk profile that contributes to or results in an adverse underwriting action by a medical malpractice insurer. Substantive underwriting factors, as defined in WAC 284-20A-040 (3)(a) are presumed to be significant risk factors.

[Statutory Authority: RCW 48.02.060 and 48.18.547. WSR 06-17-054 (Matter No. R 2006-01), § 284-20A-030, filed 8/10/06, effective 9/10/06.]