

**WAC 296-17B-440 Net insurance charge.** You will pay a net insurance charge for the protection provided by your single loss occurrence limit and your maximum loss ratio.

Your net insurance charge can be calculated as a percentage of either your standard premiums or your incurred loss and expense charge.

(1) If you choose to have your net insurance charge calculated using your standard premiums, your net insurance charge will be calculated using the following formula:

$$\text{(Premium insurance charge factor - Premium insurance savings factor)} \times \text{(Standard premiums)}$$

Your premium insurance charge factor and premium insurance savings factor will depend on your maximum and minimum loss ratio choice, size group and hazard group, and can be found in WAC 296-17B-910 through 296-17B-990. If you choose a maximum and/or minimum loss ratio between the options found in one of the tables, the department will interpolate to obtain the charge and/or savings factors from the factors found in the tables.

(2) If you choose to have your net insurance charge calculated using your losses incurred, your net insurance charge will be calculated using the following formula:

$$\text{(Loss insurance charge factor - Loss insurance savings factor)} / [1.0 - \text{(Loss insurance charge factor - Loss insurance savings factor)}] \times \text{Incurred loss and expense charge}$$

Your loss insurance charge factor and loss insurance savings factor will depend on your maximum and minimum loss ratio choice, size group and hazard group, and can be found in WAC 296-17B-910 through 296-17B-990. If you choose a maximum and/or minimum loss ratio between the options found in one of the tables, the department will interpolate to obtain the charge and/or savings factors from the factors found in the tables.

[Statutory Authority: RCW 51.18.010 and 51.04.020(1). WSR 14-12-051, § 296-17B-440, filed 5/30/14, effective 7/1/14. Statutory Authority: RCW 51.16.035, 51.16.100, 51.04.020(1), and 51.18.010. WSR 10-21-086, § 296-17B-440, filed 10/19/10, effective 11/19/10.]

**Reviser's note:** The brackets and enclosed material in the text of the above section occurred in the copy filed by the agency.