

WAC 284-24-070 Rules for risks if there are no rate manuals.

(1) Under RCW 48.19.080, the commissioner may waive insurance rate filing requirements in chapter 48.19 RCW. Except as described in subsection (2) of this section, the commissioner will waive rate filing requirements for individual risks or classes of insurance for which the insurer has no classification plan, rate, guide rate, range of rates or rating rule. This section applies to these classes of insurance:

(a) A class in which risks are so different from each other that no rate or range of rates could be representative of all;

(b) A class that does not develop enough loss experience to warrant any credibility for ratemaking purposes; or

(c) Policies involving a new product or coverage for which there is no appropriate analogy to similar exposures for ratemaking purposes.

(2) A rating rule for the classes of insurance described in subsection (1) of this section must be filed with the commissioner. The rating rule must display the symbol "(a)" or include a statement that risks in the class must be submitted to the insurer for rating.

(3) The insurer's rating of a refer-to-company risk must be based on a documented underwriting analysis of:

(a) Specific characteristics related to potential for loss;

(b) Analogy to similar exposures; and

(c) Available loss frequency and severity data.

(4) Examples of unclassified risks for which "(a)" or refer-to-company rating is appropriate risks include but are not limited to:

(a) Manufacturing and construction risks, such as:

(i) Ammunition manufacturing;

(ii) Dam construction;

(iii) Irrigation works operation; and

(iv) Logging railroad—operation and maintenance.

(b) Owners, landlord and tenants risks, such as:

(i) Amusement devices, designed for small children only, not otherwise classified (NOC);

(ii) Christmas tree lots—open air;

(iii) Bleachers or grandstands;

(iv) Dude ranches;

(v) Firing ranges—indoor;

(vi) Parks or playgrounds; and

(vii) Zoos.

(c) Product risks, such as:

(i) Aircraft or aircraft parts manufacturing;

(ii) Ball or roller bearing manufacturing;

(iii) Chemical manufacturing—household—NOC;

(iv) Discontinued operations—products;

(v) Electronic component manufacturing;

(vi) Firearms manufacturing—over .50 caliber;

(vii) Instrument manufacturing—NOC;

(viii) Levee construction;

(ix) Machinery or machinery parts manufacturing;

(x) Pharmaceutical or surgical goods manufacturing;

(xi) Products—NOC;

(xii) Sign manufacturing—NOC;

(xiii) Tank manufacturing—metal—not pressurized;

(xiv) Textile coating or impregnating;

(xv) Tool manufacturing—hand type—powered;

- (xvi) Valves manufacturing;
- (xvii) Wheels manufacturing;
- (xviii) Wire goods manufacturing—NOC; and
- (xix) Wood products manufacturing—NOC.

(5) Insurers writing risks subject to this section must keep separate documentation, including loss experience, on each risk written and must provide the documentation to the commissioner upon request.

[Statutory Authority: RCW 48.02.060, 48.110.150. WSR 08-21-091 (Matter No. 2007-11), § 284-24-070, filed 10/15/08, effective 2/1/09. Statutory Authority: RCW 48.02.060, 48.19.080, 48.19.370 and 48.19.020. WSR 98-20-102 (Matter No. R 98-4), § 284-24-070, filed 10/7/98, effective 11/7/98. Statutory Authority: RCW 48.02.060. WSR 82-06-036 (Order R 82-1), § 284-24-070, filed 3/1/82.]