

WSR 22-17-001  
PERMANENT RULES  
OFFICE OF THE  
INSURANCE COMMISSIONER

[Insurance Commissioner Matter R 2021-17—Filed August 3, 2022, 12:49 p.m., effective September 3, 2022]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The commissioner is adopting rules relating to the exemption of health care sharing ministries (HCSM) from the definition of health carrier or insurer under RCW 48.43.009 to reduce confusion related to entities' status as HCSMs, increase transparency, and codify all applicable rules related to HCSMs in one location in the Washington Administrative Code.

Citation of Rules Affected by this Order: New WAC 284-43-8210, 284-43-8220, and 284-43-8230.

Statutory Authority for Adoption: RCW 48.02.060, 48.17.005, and 48.15.015.

Adopted under notice filed as WSR 22-09-056 on April 18, 2022.

Changes Other than Editing from Proposed to Adopted Version: The final rule differs from the rule proposed in the supplemental CR-102 filing in the following respects:

- The definition of "annual audit" in WAC 284-43-8210 is modified to define annual audit as occurring on either a calendar or fiscal year basis.
- To reduce redundancy, the definition of "certified public accounting firm," in WAC 284-43-8210 was integrated into the definition of "independent certified public accounting firm," and a technical error in which "and" was used rather than "or," was corrected to clarify that the accounting firm need not be licensed by all states, the District of Columbia and all United States territories.
- WAC 284-43-8220 defines a timely response as one that occurs within 20 business days rather than 15 business days and allows written submissions via electronic mail. The revision clarifies and aligns the response time with current office of insurance commissioner (OIC) experience related to responses to OIC inquiries to entities that characterize themselves as HCSMs.

A final cost-benefit analysis is available by contacting Simon Casson, P.O. Box 40260, Olympia, WA 98504, phone 360-725-7038, fax 360-586-4109, email Simon.Casson@oic.wa.gov, website [www.insurance.wa.gov](http://www.insurance.wa.gov).

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 3, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: August 3, 2022.

Mike Kreidler

OTS-3371.4

**SUBCHAPTER N  
HEALTH CARE SHARING MINISTRIES**

NEW SECTION

**WAC 284-43-8210 Definitions.** For the purposes of this subchapter:

(1) "Annual audit" means an audit occurring once a year at approximately the same time each year for the preceding calendar or fiscal year.

(2) "Continuously" means without a break or interruption.

(3) "Generally accepted accounting principles" means the compulsory accrual method of accounting for a public company.

(4) "Health care sharing ministry" means an organization:

(a) That is described in Section 501 (c) (3) of the Internal Revenue Code and is exempt from taxation under Section 501(a) of the Internal Revenue Code;

(b) That has members who share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the state in which a member resides or is employed;

(c) Whose members retain membership in the health care sharing ministry even after the member develops a medical condition;

(d) Which, or a predecessor of which, has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999; and

(e) That conducts an annual audit, which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request.

(5) "Independent certified public accounting firm" means a certified public accounting firm licensed by state boards of accountancy, the District of Columbia or U.S. territories that meets the standards of independence set forth by the American Institute of Certified Public Accountants (AICPA), the Public Company Accounting Oversight Board (PCAOB), or another similar body that oversees or sets standards for the accounting or auditing professions.

(6) "Organization" means an entity organized as a corporation, a limited liability company (LLC), an unincorporated association, or a trust. Entities must be organized under United States federal or state law.

(7) "Predecessor" means an organization that was acquired, merged with, or otherwise replaced by a successor organization, and the predecessor organization no longer shares medical expenses.

(8) "Share medical expenses" means providing for the medical needs and financial needs related to medical expenses of a participant through member contributions.

[]

NEW SECTION

**WAC 284-43-8220 Prompt reply to the commissioner required.** Any entity claiming to be a health care sharing ministry shall timely reply in writing to an inquiry of the commissioner regarding their compliance with RCW 48.43.009, and any potential violations of RCW 48.05.030(1) and 48.15.020(1) and related regulations, including this regulation. A timely response is one that is received by the commissioner within 20 business days from receipt of the inquiry. A response may be provided via electronic mail.

[]

NEW SECTION

**WAC 284-43-8230 Continuously sharing medical expenses.** A health care sharing ministry must share medical expenses among its members, and this sharing must be continuous and without interruption. In order for sharing between a predecessor organization and its successor organization to be continuous and without interruption, remaining predecessor organization members must share medical expenses with successor organization members, if any, at the time the successor organization acquires, merges with, or otherwise replaces the predecessor's medical expense sharing activities.

[]