

WSR 24-20-136
PERMANENT RULES
OFFICE OF THE
INSURANCE COMMISSIONER

[Insurance Commissioner Matter R 2024-06—Filed October 1, 2024, 5:22 p.m., effective November 1, 2024]

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

Purpose: This rule includes both substantive and technical changes to producer and adjuster licensing requirements under chapter 284-17 WAC. It ensures that insurance regulations are clear, relevant, and consistent with Title 48 RCW and the forthcoming National Insurance Producer Registry (NIPR) interface enhancement.

The first substantive change streamlines limited line credit insurance producer licensing by amending WAC 284-17-009. Under this amendment, limited line credit insurance will automatically be included for producers with a life, disability, property, or casualty line of authority, eliminating the need for separate licensing requests.

Another substantive update permits insurance agencies to designate a new responsible licensed producer (DRLP) during the license renewal process if the current DRLP is inactive. This change addresses a concern raised by the NIPR and amends WAC 284-17-443, which currently restricts new affiliations during the renewal process. This restriction poses issues for agencies with a single affiliate who becomes inactive. Additionally, the rule amends WAC 284-17-490 (5)(b) to simplify the fee structure for canceling producer licenses, thereby resolving complex fee calculations and preventing delays in the NIPR interface enhancement project.

The proposed rule's technical changes remove outdated language in WAC 284-17-720 (2)(b) that exempted crop adjusters from continuing education (CE) requirements, aligning with a 2022 rule mandating CE for all licensed resident adjusters. The rule also deletes references to insurance producer prelicensing education (PLE) requirements that were statutorily removed in 2023. Finally, the rule removes obsolete references to specific dates related to the implementation of required electronic submissions for licensing processes, as all licensing is now conducted electronically.

Citation of Rules Affected by this Order: Repealing WAC 284-17-735; and amending WAC 284-17-009, 284-17-011, 284-17-055, 284-17-443, 284-17-490, and 284-17-720.

Statutory Authority for Adoption: RCW 48.02.060 (3)(a) and 48.17.005.

Adopted under notice filed as WSR 24-16-118 on August 5, 2024.

A final cost-benefit analysis is available by contacting Simon Casson, P.O. Box 40255, Olympia, WA 98504-0255, phone 360-725-7038, fax 360-586-3109, email policy@oic.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 2, 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 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 4, Repealed 1.

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: October 1, 2024.

Mike Kreidler
Insurance Commissioner

OTS-5541.2

AMENDATORY SECTION (Amending WSR 11-19-040, filed 9/13/11, effective 10/14/11)

WAC 284-17-009 Limited line credit insurance. Limited line credit insurance is defined at RCW 48.17.010(9).

(1) Insurers must ensure that their licensed and appointed insurance producers who transact the limited line credit insurance are qualified by education or experience to offer their credit insurance products.

(2) The requirements of this chapter for (~~prelicensing and~~) continuing insurance education do not apply to insurance producers that transact only the limited line credit insurance.

(3) Limited line credit insurance is included as part of any producer license issued with life, disability, property, casualty, or personal lines of authority.

AMENDATORY SECTION (Amending WSR 13-06-023, filed 2/27/13, effective 7/1/13)

WAC 284-17-011 Limited line of travel insurance. (1) Travel insurance is a limited line of authority. A person must not sell, solicit, or negotiate travel insurance in this state unless that person is licensed as an insurance producer with the travel limited line of authority or as set forth in subsection (2) of this section.

(2) A business entity acting as a travel insurance producer is required to:

(a) Be licensed as a producer with the travel limited line of authority; and

(b) Designate an individual licensed as a producer with the travel limited line of authority to act as a designated licensed responsible person (DLRP) who is responsible for the business entity's compliance with the laws of this state.

(3) The requirements of this chapter for passing an insurance producer examination and for (~~prelicensing and~~) continuing insurance education do not apply to insurance producers that transact only the limited line of travel insurance.

(4) A travel retailer may offer and disseminate travel insurance on behalf of and under a travel insurance producer business entity license only if the travel insurance producer holds a business entity license, and the travel insurance producer:

(a) Clearly identifies the licensed business entity as the licensed producer on marketing materials and fulfillment packages distributed by travel retailers to customers, identification shall include the entity's name and contact information;

(b) Keeps a register of each travel retailer that offers travel insurance on the licensed business entity's behalf. The register must include the name and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations, and the travel retailer's federal tax identification number. The licensed business entity must also certify that the travel retailer registered complies with United States Code, Title 18, section 1033. The licensed business entity must submit the register within ~~((thirty))~~ 30 days upon request by the commissioner;

(c) Complies with the fingerprinting requirements applicable to insurance producers in the resident state of the business entity;

(d) Has paid all applicable insurance producer licensing fees as set forth in Washington state law; and

(e) Requires each employee of the travel retailer whose duties include offering and disseminating travel insurance to receive a program of instruction or training, which is subject to review by the commissioner.

(5) An employee of a travel retailer may sell or offer travel insurance without being individually licensed as an insurance producer if the travel retailer is licensed and acting in compliance with this chapter, and the employees are under the supervision of a licensed travel producer.

(6) A travel retailer whose activities, and those of its employees, are limited to offering and disseminating travel insurance on behalf of and under the direction of a licensed business entity meeting the conditions stated in this section, is authorized to do so, upon registration by the licensed business entity.

(7) As the insurer designee, the travel insurance producer is responsible for the acts and supervision of the travel retailer.

AMENDATORY SECTION (Amending WSR 12-22-020, filed 10/29/12, effective 11/29/12)

WAC 284-17-055 Electronic submission of licensing processes—Implementation dates. (1) ~~((Beginning May 1, 2011, all company appointments including new, renewal, and terminations must be submitted electronically.~~

~~(2) Beginning June 1, 2011, all license renewals, both individual and business entity, must be submitted electronically.~~

~~(3) Beginning July 1, 2011, all applications for licenses, including affiliations, must be submitted electronically.~~

~~(4) Beginning July 1, 2011, all processes determined by the commissioner to be exclusive online))~~ All licensing processes must be completed electronically through the commissioner's website or through a third-party licensing provider. A list of exclusive online licensing processes is available on the commissioner's website at: www.insurance.wa.gov.

~~((5) Beginning February 1, 2013,))~~ (2) All fingerprints for a resident insurance license must be submitted electronically. A list of

locations where electronic submission is available can be found on the commissioner's website: www.insurance.wa.gov.

~~((6))~~ (3) The commissioner will no longer print or mail any document generated as part of a licensing process which the commissioner has determined to be an exclusive online licensing process.

AMENDATORY SECTION (Amending WSR 18-22-069, filed 11/1/18, effective 12/17/18)

WAC 284-17-443 Renewal of appointments or affiliations. (1)

When the appointment or affiliation renewal is available online, the insurer or business entity may access and review the list of their appointments or affiliations, remove any licensees from their list, and complete the renewal process by remitting the finalized list and correct fees via electronic submission to the commissioner. New appointments or affiliations may not be added until after the renewal process has been completed, except that a new affiliation may be added during the renewal process to designate a licensed insurance producer responsible for the business entity compliance as required by RCW 48.17.090(3).

(2) The online appointment or affiliation renewal and payment of fees must be completed no later than the renewal date.

AMENDATORY SECTION (Amending WSR 11-04-067, filed 1/28/11, effective 2/28/11)

WAC 284-17-490 Late renewal or reinstatement. If a request for renewal of a license is received by the commissioner after its due date, the licensee must not transact insurance under the license until the renewal or reinstatement is completed.

(1) As a precondition to late renewal or reinstatement of a license, payment of the following late fees, as set forth in RCW 48.17.170 (6) and (7), is required:

Days Late	Surcharge
First 30 days late	50% of the license renewal fee
31-60 days late	100% of the license renewal fee
61 days to ((twelve)) <u>12</u> months late	200% of the license renewal fee

(2) If no request for late renewal is received by the commissioner within ~~((sixty))~~ 60 days after expiration of a license, the license and all associated appointments and affiliations will be terminated. All authority conferred by the license ends on its expiration date.

(3) If a license is expired for more than ~~((sixty))~~ 60 days but less than ~~((twelve))~~ 12 months, a licensee may request its reinstatement. A license is not eligible for reinstatement if the reinstatement application is received by the commissioner more than ~~((twelve))~~ 12 months after its expiration date.

(4) (a) A licensee may request reinstatement of a license without retesting if no more than ~~((twelve))~~ 12 months has passed since the

expiration or cancellation date of the license, whichever is earlier. All of the following must accompany the request for reinstatement:

- (i) A completed application for reinstatement;
- (ii) Certificates for ~~((twenty-four))~~ 24 credit hours of continuing insurance education, including three hours of ethics education, completed during the ~~((twenty-four))~~ 24 months prior to the date of application for reinstatement, as set forth in WAC 284-17-224; and
- (iii) The fee and surcharge applicable to the reinstatement, as set forth in subsection (1) of this section.

(b) After ~~((twelve))~~ 12 months, the licensee must retake and pass all ~~((applicable prelicensing insurance education courses and the))~~ applicable license examinations. A new license application, including fingerprint card, and all required fees are also required. A new fingerprint card is not required if the licensee has other active licenses or held another license during the past year.

(5) (a) If a licensee cancels a license prior to its renewal date and later asks that it be reissued and the request to reissue is submitted prior to the license renewal date, the licensee must submit an application and must pay the applicable fee prior to the license renewal date.

(b) If a licensee cancels a license prior to its renewal date and a request to reissue the license is made after the license renewal date ~~((but before twelve months after the date the license was canceled))~~, the request to reissue will be treated as though it were a late renewal or reinstatement and the late fee will be calculated from the ~~((cancellation))~~ expiration date.

(c) If the request to reissue is made more than ~~((twelve))~~ 12 months after the license renewal date, it cannot be reissued.

(d) The renewal date of any reissued license will be on the same renewal cycle as the original license.

(6) Information regarding renewal or reinstatement of a license and the electronic submission process is available at the commissioner's website at: www.insurance.wa.gov.

(7) License renewals and reinstatements may be submitted by licensees that are registered with the commissioner's online services through the website at: www.insurance.wa.gov.

AMENDATORY SECTION (Amending WSR 11-08-016, filed 3/30/11, effective 6/27/11)

WAC 284-17-720 Crop adjuster license renewal requirements. (1) Every licensed crop adjuster adjusting crop insurance losses insured through a federal insurance program must:

(a) Renew their license on or before the expiration of the license; and

(b) On or before February 28th of each year, file with the commissioner a true and accurate copy of documents establishing their certification program completion. Failure to timely file a copy of the documentation with the commissioner is a sufficient basis for the commissioner to suspend, revoke, or refuse to renew a crop adjuster license.

(2) Every licensed crop adjuster adjusting crop losses not insured through a federal crop insurance program ~~((+~~

~~(-))~~ must renew their license on or before the expiration of the license ~~((+and~~

~~(b) Are not required to take continuing education).~~

(3) Crop adjusters who do not renew their license prior to the expiration date must pay the surcharge under RCW 48.17.170.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 284-17-735 Limited conversion to crop adjuster
 license.