



STATUTES
&
REGULATIONS

48.01.020 Scope of Code.

▶ All insurance and insurance transactions in this state, or affecting subjects located wholly or in part to be performed within this state, and all persons having to do therewith are governed by this code.

[1947 c 79 § .01.02; Rem. Supp. 1947 § 45.01.02.]

48.01.040 “Insurance” Defined.

▶ Insurance is a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies.

[1947 c 79 § .01.04; Rem. Supp. 1947 § 45.01.04.]

48.01.060 “Insurance Transaction” Defined.

▶ “Insurance transaction” includes any:

- (1) Solicitation.
- (2) Negotiations preliminary to execution.
- (3) Execution of an insurance contract.
- (4) Transaction of matters subsequent to execution of the contract and arising out of it.
- (5) Insuring.

[1947 c 79 § .01.06; Rem. Supp. 1947 § 45.01.06.]

48.01.070 “Person” Defined.

▶ “Person” means any individual, company, insurer, association, organization, reciprocal or interinsurance exchange, partnership, business trust, or corporation.

[1947 c 79 § .01.07; Rem. Supp. 1947 § 45.01.07.]

48.01.190 Immunity from Civil Liability.

(1) Any Person who files reports, or furnishes other information, required under Title [48](#) RCW, required by the commissioner under authority granted by Title 48 RCW, useful to the commissioner in the administration of Title 48 RCW, or furnished to the National Association of Insurance Commissioners at the request of the commissioner or pursuant to Title 48 RCW, shall be immune from liability in any civil action or suit arising from the filing of any such report or furnishing such information to the commissioner or the National Association of Insurance Commissioners, unless actual malice, fraud, or bad faith is shown.

(2) The commissioner and the National Association of Insurance Commissioners, and the agents and employees of each, are immune from liability in any civil action or suit arising from the publication of any report or bulletin or dissemination of information related to the official activities of the commissioner or the National Association of Insurance Commissioners, unless actual malice, fraud, or bad faith is shown.

(3) Any licensee under chapter [48.17](#) RCW and any trade association of the licensees under chapter [48.15](#) RCW, and any officer, director, employee, agent, or committee of the licensee or association **who furnishes information to or for the commissioner** or to or for the association regarding unauthorized insurers or regarding attempts by any person to place or actual placement by any person of business with the insurers, whether in compliance with chapter [48.15](#) RCW or not, **shall be immune** from each and every kind of liability in any civil action or suit arising in whole or in part from the information or from the furnishing of the information.

(4) The immunity granted by this section is in addition to any common law or statutory privilege or immunity enjoyed by such person, and nothing in this section is intended to abrogate or modify in any way such common law or statutory privilege or immunity.

[1995 c 10 § 1; 1987 c 51 § 1.]

48.05.010 “Domestic,” Foreign,” “Alien” Insurers Defined.

- (1) A “domestic” insurer is one formed under the laws of this state.
- (2) A “foreign” insurer is one formed under the laws of the United States, of a state or territory of the United States other than this state, or of the District of Columbia.
- (3) An “alien” insurer is one formed under the laws of a nation other than the United States.
- (4) For the purposes of this code, “United States,” when used to signify place, means only the states of the United States, the government of Puerto Rico and the District of Columbia.

[1961 c 194 § 1; 1947 c 79 § .05.01; Rem. Supp. 1947 § 45.05.01.]

48.05.030 Certificate of Authority Required.

- (1) No person shall act as an insurer and no insurer shall transact insurance in this state other than as authorized by a certificate of authority issued to it by the commissioner and then in force, **except, as to such transactions as are expressly otherwise provided for in this code.**
- (2) Every certificate of authority shall specific the name of the insurer, the location of its principal office, the name and location of the principal office of its attorney-in-fact if a reciprocal insurer, and the kind or kinds of insurance it is authorized to transact in this state.
- (3) The investigation and adjustment of any claim in this state arising under an insurance contract issued by an unauthorized insurer, shall not be deemed to constitute the transacting of insurance in this state.

[1947 c 79 § .05.03; Rem. Supp. 1947 § 45.05.03.]

48.05.030 Certificate of Authority Required.

- ▶ “Capital funds” means the excess of the assets of an insurer over its liabilities. Capital stock, if any, shall not be deemed to be a liability for the purposes of this section.

[1947 c 79 § .05.06; Rem. Supp. 1947 § 45.05.06.]

48.05.073 Filing of Financial Statements.

► Every insurer holding a certificate of authority from the commissioner shall file its financial statements as required by this code and by the commissioner in accordance with the accounting practices and procedures manuals as adopted by the national association of insurance commissioners, unless otherwise provided by law.

[1999 c 33 § 1.]

48.05.080 Foreign Insurers – Deposit.

- (1) Prior to the issuance of a certificate of authority to a foreign insurer, it shall make a deposit of assets with the commissioner for the protection of all its policyholders, or of all of its policyholders and obligees or its policyholders and obligees within the United States, in amount and kind, subject to RCW [48.14.040](#), the same as is required of a like domestic insurer transacting like kinds of insurance.
- (2) In lieu of such deposit or part thereof the commissioner may accept the certificate of the public official having supervision over insurers in any other state to the effect that a like deposit by such insurer or like part thereof in equal or greater amount is held in public custody in such state.

[1955 c 86 § 1; 1947 c 79 § .05.08; Rem. Supp. 1947 § 45.05.08.]

Effective date—1955 c 86: "This act shall become effective on January 1, 1956." [1955 c 86 § 18.]

Supervision of transfers—1955 c 86: "All transfers authorized under this act shall be made under the supervision of the state auditor." [1955 c 86 § 19.]

48.05.110 Issuance of Certificate of Authority.

► If the commissioner finds that an insurer has met the requirements for and is fully entitled thereto under this code, he or she shall issue to it a proper certificate of authority. If the commissioner does not so find, the authority shall be refused within a reasonable length of time following completion by the insurer of the application therefor.

[2009 c 549 § 7015; 1947 c 79 § .05.11; Rem. Supp. 1947 § 45.05.11.]

48.05.215 Unauthorized Foreign or Alien Insurers – Jurisdiction of State Courts – Service of Process – Procedure.

- (1) Any foreign or alien insurer not authorized by the commissioner, whether it be a surplus lines insurer operating under chapter 48.15 RCW or not, who, by mail or otherwise, solicits insurance business in this state or transacts insurance business in this state as defined by RCW 48.01.060, thereby submits itself to the jurisdiction of the courts of this state in any action, suit, or proceeding instituted by or on behalf of an insured, beneficiary or the commissioner arising out of an unauthorized solicitation of insurance business, including, but not limited to, an action for injunctive relief by the commissioner.
- (2) In any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary, service of legal process against an unauthorized foreign or alien insurer must be accomplished and processed in the manner prescribed under RCW 48.02.200. The defendant insurer has forty days from the date of the service on the commissioner within which to plead, answer, or otherwise defend the action.
- (3) In any such action, suit, or proceeding by the commissioner, service of legal process against an unauthorized foreign or alien insurer may be made by personal service of legal process upon any officer of such insurer at its last known principal place of business outside the state of Washington. The summons upon an unauthorized foreign or alien insurer must contain the same requisites and be served in like manner as personal summons within the state of Washington; except, the insurer has forty days from the date of personal service within which to plead, answer, or otherwise defend the action.

[2011 c 47 § 6; 1981 c 339 § 4; 1967 c 150 § 3.]

48.05.250 Annual Statement.

- (1) Each **domestic insurer** shall annually, on or before the first day of March, file with the commissioner a true statement of its financial condition, transactions, and affairs as of the thirty-first day of December preceding. The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for the kinds of insurance to be reported upon, and as supplemented for additional information required by this code and by the commissioner. The statement shall be verified by the oaths of at least two of the insurer's officers.
- (2) The annual statement of an alien insurer shall relate only to its transactions and affairs in the United States unless the commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.
- (3) The commissioner shall suspend or revoke the certificate of authority of any insurer failing to file its annual statement when due or during any extension of time therefor which the commissioner, for good cause, may grant.

[2006 c 25 § 5; 1983 c 85 § 1; 1947 c 79 § . 05.25; Rem. Supp. 1947 § 45.05.25.]

Advertising of financial condition: RCW 48.30.070.

Assets and liabilities: Chapter 48.12 RCW.

False financial statements: RCW 48.30.030.

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48.15.010 Definitions.

(4) (a) “Exempt Commercial Purchaser”.

(4)(a) "Exempt commercial purchaser" means any person purchasing commercial insurance that, at the time of placement, meets the following requirements:

- (i) The person employs or retains a **qualified risk manager** to negotiate insurance coverage;
- (ii) The person has paid aggregate nationwide commercial property and casualty insurance **premiums in excess of one hundred thousand dollars** in the immediately preceding twelve months; and
- (iii) The person meets at least one of the following criteria:
 - (A) The person possesses a **net worth** in excess of twenty million dollars, as the amount is adjusted under (b) of this subsection;
 - (B) The person generates **annual revenues** in excess of fifty million dollars, as the amount is adjusted under (b) of this subsection;
 - (C) The person employs more than **five hundred full-time** or fulltime equivalent employees per insured or is a member of an affiliated group employing more than one thousand employees in the aggregate;

(5) (a) “Insured’s Home State”.

(5)(a) Except as provided in (b) of this subsection, "**insured's home state**" means, with respect to an insured:

- (i) The state in which an insured maintains its principal **place of business** or, in the case of an individual, the individual's principal residence; or

48.15.015 Rules.

► The commissioner may adopt rules to implement and administer this chapter.

[2009 c 162 § 12.]

48.15.020 Solicitation by Unauthorized Insurer Prohibited – Personal Liability.

(1) An insurer that is not authorized by the commissioner may not solicit insurance business in this state or transact insurance business in this state, except as provided in this chapter.

(2)(a) A person may not, in this state, represent an unauthorized insurer except as provided in this chapter. This subsection does not apply to any adjuster or attorney-at-law representing an unauthorized insurer from time to time in this state in his or her professional capacity.

(b) A person, other than a duly licensed surplus line broker acting in good faith under his or her license, who makes a contract of insurance in this state, directly or indirectly, on behalf of an unauthorized insurer, without complying with the provisions of this chapter, is personally liable for the performance of such contract.

(3) Each violation of subsection (2) of this section constitutes a separate offense punishable by a fine of not more than twenty-five thousand dollars, and the commissioner, at the commissioner's discretion, may order replacement of policies improperly placed with an unauthorized insurer with policies issued by an authorized insurer. Violations may result in suspension or revocation of a license.

[2003 c 250 § 2; 1992 c 149 § 1; 1983 1st ex.s. c 32 § 3; 1980 c 102 § 2; 1947 c 79 § .15.02; Rem. Supp. 1947 § 45.15.02.]

48.15.040 "Surplus Line" Coverage.

If certain insurance coverages cannot be procured from authorized insurers, such coverages, hereinafter designated as "surplus lines," may be procured from unauthorized insurers subject to the following conditions:

- (1) The insurance must be procured through a licensed surplus line broker under this chapter. If the insurance is property and casualty insurance, except industrial insurance under Title [51](#) RCW, then the insurance must be procured under the laws and rules of the insured's home state.
- (2) The insurance must not be procurable, after **diligent effort** has been made to do so **from among a majority of** the insurers authorized to transact that kind of insurance in this state.
- (3) Coverage **shall not be procured** from an unauthorized insurer **for the purpose of securing a lower premium** rate than would be accepted by any authorized insurer nor to secure any other competitive advantage.
- (4) The **commissioner may by regulation establish the degree of effort required to comply** with subsections (2) and (3) of this section.
- (5) At the time of procuring the insurance the **surplus line broker must certify to the accuracy of the facts** supporting the surplus line broker's diligent effort required in subsections (2) and (3) of this section.
 - (a) The certification must set forth the facts supporting the surplus line broker's diligent effort.
 - (b) The certification must state that under the **penalty of suspension or revocation** of the surplus line broker's license the facts contained in the certification are true and correct.
 - (c) The **certification may be in electronic, digital, or another format** as designated by the commissioner.
 - (d) The certification **must be filed with the commissioner within sixty days** after the insurance is procured.

[[2011 c 31 § 3](#); (2011 c 31 § 2 expired December 31, 2016); (2010 c 230 § 17 expired December 31, 2016); [1983 1st ex.s. c 32 § 4](#); 1947 c 79 § .15.04; Rem. Supp. 1947 § 45.15.04.]

48.15.023 Unauthorized Activities – Acts Committed in this State – Sanctions.

- (1) As used in this section, "person" has the same meaning as in RCW [48.01.070](#).
- (2) For the purpose of this section, an act is committed in this state if it is committed, in whole or in part, in the state of Washington, or affects persons or property within the state and relates to or involves an insurance contract.
- (3) Any person who **knowingly violates** RCW [48.15.020](#)(1) is guilty of a **class B felony** punishable under chapter [9A.20](#) RCW.
- (4) Any criminal penalty imposed under this section is in addition to, and not in lieu of, any other civil or administrative penalty or sanction otherwise authorized under state law.
- (5) (a) If the commissioner has cause to believe that any person has violated the provisions of RCW [48.15.020](#) (1), the commissioner may:
 - (i) Issue and enforce a **cease and desist** order in accordance with the provisions of RCW [48.02.080](#); and/or
 - (ii) Assess a civil penalty of not more than twenty-five thousand dollars for each violation, after providing notice and an opportunity for a hearing in accordance with chapters [34.05](#) and [48.04](#) RCW.(b) Upon failure to pay a civil penalty when due, the attorney general may bring a civil action on behalf of the commissioner to recover the unpaid penalty. Any amounts collected by the commissioner must be paid to the state treasurer for the account of the general fund.

[2003 c 250 § 3.] Severability—2003 c 250: See note following RCW 48.01.080

48.15.030 Validity of Contracts Illegally Effectuated.

A contract of insurance effectuated by an unauthorized insurer in violation of the provisions of this code shall be voidable except at the instance of the insurer.

[1947 c 79 § .15.03; Rem. Supp. 1947 § 45.15.03.]

48.15.043 Diligent Effort Requirement – Exempt Commercial Purchaser.

A surplus line broker seeking to procure from or place insurance with an unauthorized insurer for an exempt commercial purchaser is not required to satisfy the diligent effort requirement set forth in RCW [48.15.040](#) when:

- (1) The surplus line broker or referring insurance producer procuring or placing the surplus line insurance has disclosed to the exempt commercial purchaser that such insurance may or may not be available from the admitted market that may provide greater protection with more regulatory oversight; and
- (2) The exempt commercial purchaser has subsequently requested in writing the surplus line broker or referring insurance producer to procure or place such insurance from an unauthorized insurer.
- (3) Records of the surplus line broker's satisfaction of the requirements of this section must be maintained in compliance with RCW [48.15.100](#).

[2011 c 31 § 5.] Effective date—2011 c 31: See note following RCW 48.15.010.

48.15.050 Endorsement of Contract.

Every insurance contract procured and delivered as a surplus line coverage pursuant to this chapter must have stamped upon it and be initialed by or bear the name of the surplus line broker who procured it, the following:

"This contract is registered and delivered as a surplus line coverage under the insurance code of the state of Washington, Title [48](#) RCW."

[2015 c 132 § 1; 1947 c 79 § .15.05; Rem. Supp. 1947 § 45.15.05.]

48.15.070 Surplus Line Brokers – Licensing – Bond – Renewal.

(5) Every **resident surplus line broker** licensed under this chapter **must maintain a bond** in favor of the state of Washington in the penal sum of twenty thousand dollars, with authorized corporate sureties approved by the commissioner, conditioned that the **licensee** will conduct business under the license in accordance with the provisions of this chapter and that the licensee **will promptly remit the taxes provided by RCW 48.15.120**. The licensee must maintain such bond in force for as long as the license remains in effect.

(6) Every resident **surplus line broker** licensed under this chapter **must maintain** in force while so licensed **a bond** in favor of the people of the state of Washington or a named insured such that the people of the state are covered by the bond, executed by an authorized corporate surety approved by the commissioner, in the amount of two thousand five hundred dollars, or five percent of the premiums from placement of coverage with surplus line insurers in the previous calendar year, whichever is greater, but not to exceed one hundred thousand dollars total aggregate liability. The bond may be continuous in form, and total aggregate liability on the bond may be limited to the required amount of the bond. The bond must be contingent on the **accounting by the resident surplus line broker to any person requesting the broker to obtain insurance, for moneys or premiums collected in connection therewith**. A bond issued in accordance with RCW **48.17.250** or with this subsection will satisfy the requirements of both RCW **48.17.250** and this subsection if the limit of liability is not less than the greater of the requirement of RCW **48.17.250** or the requirement of this subsection.

(7) Authorized surplus line brokers of a business entity may meet the requirements of subsection (6) of this section with a bond in the name of the business entity, continuous in form, and in the amount set forth in subsection (6) of this section.

(13) **All records** relating to the bonds required by this section **must be kept available and open to the inspection of the commissioner at any business time**.

(17) If the **request for renewal of a surplus line broker's license** and payment of the fee are not received by the commissioner prior to the expiration date, the applicant for renewal must pay to the commissioner in addition to the renewal fee, a **surcharge as follows**:

- (a) For the first thirty days or part thereof of delinquency, the surcharge is fifty percent of the renewal fee; and
- (b) For the next thirty days or part thereof of delinquency, the surcharge is one hundred percent of the renewal fee.

48.15.073 Nonresident Surplus Line Brokers – Licensing – Reciprocity – Service of Process.

(1) The commissioner may license a nonresident person as a surplus line broker who is not a resident of this state if the person's resident state issues nonresident surplus line broker licenses to residents of this state on the same basis.

(2) A nonresident that holds a surplus line broker's license, or the equivalent, in the applicant's home state, and that license is in good standing is deemed qualified and meets the minimum standards of this state for licensing as a nonresident surplus line broker.

(3) Once a person has been issued a nonresident surplus line broker's license by the commissioner, the licensee must fulfill all the same responsibilities as a resident surplus line broker, except for bonding, and is subject to the (a) commissioner's supervision as though resident in this state and (b) rules adopted under this chapter.

(4) A nonresident surplus line broker's license expires if not timely renewed. A nonresident surplus line broker's license is valid for the time period established by the commissioner unless suspended or revoked at an earlier date. The request and fee for the renewal of the license is the same as the renewal and fee requirements for a resident surplus line broker licensed under RCW [48.15.070](#).

(5) Each licensed nonresident surplus line broker, by application for and issuance of a license, is deemed to have appointed the commissioner as the surplus line broker's attorney to receive service of legal process issued against the surplus line broker in this state upon causes of action arising within this state. Service upon the commissioner as attorney constitutes effective legal service upon the surplus line broker.

(a) The appointment of the commissioner as attorney is irrevocable, binds any successor in interest or to the assets or liabilities of the surplus line broker, and remains in effect for as long as there could be any cause of action against the surplus line broker arising out of the surplus line broker's insurance transactions in this state.

(b) Service of legal process must be accomplished and processed in the manner prescribed in RCW [48.02.200](#).

48.15.080 Licensed Surplus Line Broker May Accept Business.

- ▶ A licensed surplus line broker may accept and place surplus line business for any insurance producer licensed in this state for the kind of insurance involved, and may compensate that insurance producer therefor.

[2008 c 217 § 9; 1947 c 79 § .15.08; Rem. Supp. 1947 § 45.15.08.]

48.15.085 Liability of Insurer Assuming Direct Risk.

- (1) If pursuant to the surplus lines provisions of this chapter an insurer has assumed direct risk under a coverage and the premium therefor has been paid to the broker who placed such insurance, the insurer shall be liable to the insured for unearned premiums payable upon cancellation of the insurance, whether or not the broker is indebted to the insurer for such premium or otherwise. This provision shall not affect rights as between the insurer and the broker.
- (2) Each such insurer shall be deemed to have subjected itself to this section by acceptance of such direct risk.

[1959 c 255 § 5.]

48.15.090 Solvent Insurer Required - Rules.

(1) A surplus line broker must not knowingly place surplus line insurance with insurers unsound financially. The surplus line broker must ascertain the financial condition of the unauthorized insurer, and maintain written evidence thereof, before placing insurance therewith. The surplus line broker may only so insure with:

(a)(i) Any foreign insurer:

(A) That is authorized to write the kind of insurance in its domiciliary jurisdiction; and

(B) Has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction which equals the greater of:

(I) The minimum capital and surplus requirements under the laws of this state; or

(II) Fifteen million dollars.

(ii) The requirements of (a)(i)(B) of this subsection may be satisfied by an insurer's possessing less than the minimum **capital** and surplus upon an affirmative finding of acceptability by the commissioner. The finding must be based upon factors such as quality of management, capital and surplus of any parent company, company underwriting profit and investment income trends, market availability, and company record and reputation within the industry. The commissioner is prohibited from making an affirmative finding of acceptability when the foreign insurer's capital and surplus is less than four million five hundred thousand dollars; or

(b) Any alien insurer that is listed on the quarterly listing of alien insurers maintained by the international insurers department of the national association of insurance commissioners.

(2) The commissioner may, by rule, prescribe the terms under which the foregoing financial requirements may be waived in circumstances where insurance cannot be otherwise procured on risks located in this state.

(3) For any violation of this section the surplus line broker may be fined not less than one hundred dollars or more than five thousand dollars, and in addition to or in lieu thereof the surplus line broker's license may be revoked, suspended, or nonrenewed.

[[2011 c 31 § 6](#); [1997 c 89 § 1](#); [1994 c 86 § 2](#); [1991 sp.s. c 5 § 2](#); [1980 c 102 § 4](#); [1975 1st ex.s. c 266 § 6](#); [1969 ex.s. c 241 § 10](#); [1955 c 303 § 5](#); 1947 c 79 § .15.09; Rem. Supp. 1947 § 45.15.09.]

48.15.100 Record of Surplus Line Broker.

(1) Each licensed surplus line broker shall keep a full and true record of each surplus line contract procured by him or her including a copy of the daily report, if any, showing such of the following items as may be applicable:

- (a) Amount of the insurance;
- (b) Gross premiums charged;
- (c) Return premium paid, if any;
- (d) Rate of premium charged upon the several items of property;
- (e) Effective date of the contract, and the terms thereof;
- (f) Name and address of the insurer;
- (g) Name and address of the insured;
- (h) Brief general description of property insured and where located;
- (i) Other information as may be required by the commissioner.

(2) All such records as to any particular transaction shall be kept available and open to the inspection of the commissioner at any business time during the five years next following the date of completion of such transaction.

(3) For the purpose of ascertaining its condition, or compliance with this title, the commissioner may as often as he or she deems advisable, examine the accounts, records, documents, and transactions of any surplus line broker as set forth in chapter [48.03](#) RCW.

[[2009 c 162 § 5](#); [1955 c 303 § 6](#); 1947 c 79 § .15.10; Rem. Supp. 1947 § 45.15.10.]

48.15.110 Broker's Annual Statement.

(1) Each surplus line broker must on or before the first day of March of each year file with the commissioner a verified statement of all surplus line insurance transacted by him or her during the preceding calendar year.

(2) The statement must be in a form and format as prescribed by the commissioner and must show:

- (a) Aggregate of net premiums; and
- (b) Additional information as required by the commissioner.

(3) This section does not apply to property and casualty insurance procured by the surplus line broker when the insured's home state is a state other than this state.

[[2011 c 31 § 7](#); [2009 c 549 § 7058](#); [1955 c 303 § 7](#); 1947 c 79 § .15.11; Rem. Supp. 1947 § 45.15.11.]

48.15.120 Premium Tax – Surplus Lines.

(1) On or before the first day of March of each year each surplus line broker must remit to the state treasurer through the commissioner a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him or her during the preceding calendar year as shown by his or her annual statement filed with the commissioner, and at the same rate as is applicable to the premiums of authorized foreign insurers under this code. The tax when collected must be credited to the general fund.

(2) For property and casualty insurance other than industrial insurance under Title [51](#) RCW, when this state is the insured's home state:

(a) If the surplus line insurance covers risks or exposures located inside the United States, its territories, or both, the tax so payable must be computed upon the entire premium under subsection (1) of this section, without regard to whether the policy covers risks or exposures that are located in this state; and

(b) If the surplus line insurance covers risks or exposures located outside of the United States and its territories, no tax under subsection (1) of this section is due or payable for the premium properly allocable to the risks and exposures located outside the United States and its territories.

(3) For all other lines of insurance, if a surplus line policy covers risks or exposures only partially in this state, the tax so payable must be computed upon the proportion of the premium that is properly allocable to the risks or exposures located in this state.

[[2015 c 132 § 2](#); [2011 c 31 § 8](#); [2009 c 549 § 7059](#); 1947 c 79 § .15.12; Rem. Supp. 1947 § 45.15.12.]

48.15.140 Revocation, Suspension, or Failure to Renew Surplus Line Broker's License – Civil Penalty.

(1) The commissioner may place on probation, revoke, suspend, or refuse to renew any surplus line broker's license, or may levy a civil penalty in accordance with RCW [48.17.560](#) or any combination of actions, for any one or more of the following causes:

(a) If the surplus line broker fails to file the licensee's annual statement or to remit the tax as required by this chapter; or

(b) If the surplus line broker fails to maintain an office in this state, or to keep the records, or to allow the commissioner to examine the licensee's records as required by this chapter; or

(c) For any of the causes for which an insurance producer's license may be revoked under chapter [48.17](#) RCW.

(2) The commissioner may suspend or revoke any such license whenever he or she deems suspension or revocation to be for the best interests of the people of this state.

(3) The procedures provided by this code for the suspension or revocation of insurance producers' licenses shall be applicable to suspension or revocation of a surplus line broker's license.

(4) A surplus line broker whose license has been so revoked shall not again be so licensed within one year thereafter, nor until any fines or delinquent taxes owing by the formal licensee have been paid.

[[2009 c 162 § 7](#); [2008 c 217 § 10](#); [1980 c 102 § 6](#); 1947 c 79 § .15.14; Rem. Supp. 1947 § 45.15.14.]

48.15.150 Legal Process Against Surplus Line Insurer.

(1) For any cause of action arising in this state under any contract issued as a surplus line contract under this chapter, an unauthorized insurer must be sued **in the superior court of the county in which the cause of action arose.**

(2) An unauthorized insurer issuing a policy under this chapter has authorized service of process against it in the manner prescribed under RCW [48.02.200](#). Any policy must contain a provision designating the commissioner as the person upon whom service of process may be made.

(3) The insurer has forty days from the date of the service upon the commissioner within which to plead, answer, or otherwise defend the action. Upon service of process upon the commissioner in accordance with this section, the court has jurisdiction in personam of the insurer.

[[2011 c 47 § 9](#); [1979 ex.s. c 199 § 4](#); [1963 c 195 § 16](#); [1955 c 303 § 8](#); 1947 c 79 § .15.15; Rem. Supp. 1947 § 45.15.15.]

48.15.160 Exemptions from Surplus Line Requirements.

(1) The provisions of this chapter controlling the placing of insurance with unauthorized insurers shall not apply to reinsurance, to insurance issued by a registered eligible captive insurer under chapter [48.201](#) RCW, or to the following insurances when so placed by licensed insurance producers of this state:

(a) Ocean marine and foreign trade insurances.

(b) Insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside this state.

(c) Insurance on operations of railroads engaged in transportation in interstate commerce and their property used in such operations.

(d) Insurance of aircraft owned or operated by manufacturers of aircraft, or of aircraft operated in schedule interstate flight, or cargo of such aircraft, or against liability, other than workers' compensation and employer's liability, arising out of the ownership, maintenance or use of such aircraft.

(2) Insurance producers so placing any such insurance with an unauthorized insurer shall keep a full and true record of each such coverage in detail as required of surplus line insurance under this chapter and shall meet the requirements imposed upon a surplus line broker pursuant to RCW [48.15.090](#) and any regulations adopted thereunder. The record shall be preserved for not less than five years from the effective date of the insurance and shall be kept available in this state and open to the examination of the commissioner. The insurance producer shall furnish to the commissioner at the commissioner's request and on forms as designated and furnished by him or her a report of all such coverages so placed in a designated calendar year.

[[2021 c 281 § 9](#); [2008 c 217 § 11](#); [1987 c 185 § 23](#); [1985 c 264 § 5](#); [1949 c 190 § 22](#); 1947 c 79 § .15.16; Rem. Supp. 1949 § 45.15.16.]

48.15.180 Surplus Line Broker's Fiduciary Capacity – Violations.

(1) A surplus line broker, its representative, or any person licensed under this chapter involved in the procuring or issuance of an insurance contract and who receives any funds representing premiums or return premiums which belong to or should be paid to another person as a result of or in connection with an insurance transaction is deemed to have been received in the surplus line broker's fiduciary capacity and shall:

(a) Report to the insurer the exact amount of consideration charged as premium for the contract, and the amount shall likewise be shown in the contract and in the records of the surplus line broker;

48.12.460 Qualified United States Financial Institution – Definition.

(1) For the purposes of RCW [48.12.460](#)(3), a "qualified United States financial institution" means an institution that:

- (a) Is organized or (in the case of a United States office of a foreign banking organization) licensed, under the laws of the United States or any state thereof;
- (b) Is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks and trust companies; and
- (c) Has been determined by either the commissioner or the securities valuation office of the national association of insurance commissioners to meet the standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the commissioner.

48.14.060 Failure to Pay Tax Penalty

(1) Any insurer or taxpayer, as defined in RCW [48.14.0201](#), failing to file its tax statement and to pay the specified tax or prepayment of tax on premiums and prepayments for health care services by the last day of the month in which the tax becomes due shall be assessed a penalty of five percent of the amount of the tax; and if the tax is not paid within forty-five days after the due date, the insurer will be assessed a total penalty of ten percent of the amount of the tax; and if the tax **is not paid within sixty days of the due date**, the insurer will be assessed a total **penalty of twenty percent** of the amount of the tax. The tax may be collected by distraint, and the penalty recovered by any action instituted by the commissioner in any court of competent jurisdiction. The amount of any penalty collected must be paid to the state treasurer and credited to the general fund.

(2) In addition to the penalties set forth in subsection (1) of this section, interest will accrue on the amount of the unpaid tax or prepayment at the maximum legal rate of interest permitted under RCW [19.52.020](#) commencing sixty-one days after the tax is due until paid. This interest will not accrue on taxes imposed under RCW [48.15.120](#).

(3) The commissioner may revoke the certificate of authority or registration of any delinquent insurer or taxpayer, and the certificate of authority or registration will not be reissued until all taxes, prepayments of tax, interest, and penalties have been fully paid and the insurer or taxpayer has otherwise qualified for the certificate of authority or registration.

[[2003 c 341 § 1](#); [1981 c 6 § 2](#); 1947 c 79 § .14.06; Rem. Supp. 1947 § 45.14.06.]

48.18.170 Premium Defined.

"Premium" as used in this code means all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof. "Premium" does not include a regulatory surcharge imposed by RCW [48.02.190](#), except as otherwise provided in this section. Any assessment, or any "membership," "policy," "survey," "inspection," "service" or similar fee or charge made by the insurer in consideration for an insurance contract is deemed part of the premium.

[[2007 c 153 § 1](#); 1947 c 79 § .18.17; Rem. Supp. 1947 § 45.18.17.]

48.18.230 Binders – Duration – Premium.

(1) A "binder" is used to bind insurance temporarily pending the issuance of the policy. No binder shall be valid beyond the issuance of the policy as to which it was given, or beyond ninety days from its effective date, whichever period is the shorter.

(2) If the policy has not been issued a binder may be extended or renewed beyond such ninety days upon the commissioner's written approval, or in accordance with such rules and regulations relative thereto as the commissioner may promulgate.

(3) Where the premium used in the binder differs from the actual policy premium by less than ten dollars, the insurer shall not be required to notify the insured and may use the actual policy premium.

[[1996 c 95 § 1](#); 1947 c 79 § .18.23; Rem. Supp. 1947 § 45.18.23.]

48.17.270 Insurance Producer as Insurer's Agent – Compensation Disclosure.

(c) A combination of commission paid by the insurer and a fee paid by the insured from which an insurance producer may offset or reimburse the insured for all or part of the fee.

48.17.530 Commissioner May Place on Probation, Suspend, Revoke or Refuse to Issue or Renew a License

(1) The commissioner may place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license, or may levy a civil penalty in accordance with RCW [48.17.560](#) or any combination of actions, for any one or more of the following causes:

- (a) Providing incorrect, **misleading**, incomplete, or materially untrue information in the license application;
- (b) **Violating any insurance laws**, or violating any rule, subpoena, or order of the commissioner or of another state's insurance commissioner;
- (c) Obtaining or attempting to obtain a license through misrepresentation or fraud;
- (d) Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business;
- (e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;
- (f) Having been convicted of a felony;
- (g) Having admitted or been found to have committed any insurance unfair trade practice or fraud;
- (h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere;
- (i) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;
- (j) Forging another's name to an application for insurance or to any document related to an insurance transaction;
- (k) Improperly using notes or any other reference material to complete an examination for an insurance license;
- (l) Knowingly accepting insurance business from a person who is required to be licensed under this title and is not so licensed, other than orders for issuance of title insurance on property located in this state placed by a nonresident title insurance agent authorized to act as a title insurance agent in the title insurance agent's home state; or
- (m) Obtaining a loan from an insurance client that is not a financial institution and who is not related to the insurance producer by birth, marriage, or adoption, except the commissioner may, by rule, define and permit reasonable arrangements.

(2) The license of a business entity may be suspended, revoked, or refused if the commissioner finds that an individual licensee's violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the partnership or corporation, and the violation was neither reported to the commissioner nor corrective action taken.

(3) The commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this chapter and this title against any person who is under investigation for or charged with a violation of this chapter or this title, even if the person's license or registration has been surrendered or has lapsed by operation of law.

(4) The holder of any license which has been revoked or suspended shall surrender the license certificate to the commissioner at the commissioner's request.

(5) The commissioner may probate a suspension or revocation of a license under reasonable terms determined by the commissioner. In addition, the commissioner may require a licensee who is placed on probation to:

- (a) Report regularly to the commissioner on matters that are the basis of the probation;
 - (b) Limit practice to an area prescribed by the commissioner; or
 - (c) Continue or renew continuing education until the licensee attains a degree of skill satisfactory to the commissioner in the area that is the basis of the probation.
- (6) At any time during a probation term where the licensee has violated the probation order, the commissioner may:
- (a) Rescind the probation and enforce the commissioner's original order; and
 - (b) Impose any disciplinary action permitted under this section in addition to or in lieu of enforcing the original order.

[[2007 c 117 § 29](#); [1973 1st ex.s. c 152 § 2](#); [1969 ex.s. c 241 § 11](#); [1967 c 150 § 23](#); 1947 c 79 § .17.53; Rem. Supp. 1947 § 45.17.53.]

Chapter 284-15 WAC

Surplus Line Insurance

- 284-15-010** Brokers—Surplus line brokers—Qualifications and examination.
- 284-15-015** Procurement of insurance from an unauthorized insurer by an unlicensed person prohibited.
- 284-15-020** Surplus line broker—Solvent insurer required.
- 284-15-030** Surplus line brokers' form to be filed—Contract statement to be used.
- 284-15-035** Exempt commercial purchasers.
- 284-15-040** Form for surplus line insurer to designate person to receive legal process.
- 284-15-050** Surplus line—Waiver of financial requirements.
- 284-15-080** Relationship between surplus line broker and insurance producer not acting as the agent of the insured.
- 284-15-110** Surplus line insurance premium tax.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS TITLE

- 284-15-090** Financial requirements for unauthorized foreign and alien insurers increased. [Statutory Authority: RCW [48.02.060](#). WSR 92-24-062 (Order R 92-24), § 284-15-090, filed 11/30/92, effective 12/31/92.] Repealed by WSR 12-04-082 (Matter No. R 2011-10), filed 1/31/12, effective 3/2/12. Statutory Authority: RCW [48.02.060](#), [48.15.040\(4\)](#), and [48.15.090\(2\)](#).
- 284-15-100** Surplus lines limited broker. [Statutory Authority: RCW [48.02.060](#) and [48.92.140](#). WSR 93-19-008 (Order R 93-12), § 284-15-100, filed 9/1/93, effective 10/2/93.] Repealed by WSR 08-14-169 (Matter No. R 2008-04), filed 7/2/08, effective 8/2/08. Statutory Authority: RCW [48.02.060](#), [48.15.040\(4\)](#), [48.15.073\(2\)](#), and [48.15.160\(2\)](#).

WAC 284-15-010

Brokers – Surplus Line Brokers Qualifications and Examination.

Each applicant for a resident surplus line broker's license must take and pass the required examination, meet the additional producer licensing requirement per RCW [48.15.070](#) and pay the required fee prior to acting as a surplus line broker. The examination will test an applicant's qualifications and competence in all areas of surplus line insurance. Current information about testing procedures and examination dates is available on the commissioner's website at: www.insurance.wa.gov.

WAC 284-15-020

Brokers – Surplus Line Broker – Solvent Insurer Required

(1) A surplus line broker must not knowingly place surplus line insurance with financially unsound insurers. Foreign insurers must meet or exceed the minimum financial and other conditions required by RCW [48.15.090](#).

(2) A surplus line broker must substantiate the financial condition of a foreign unauthorized insurer before placing insurance with the insurer. The broker must also maintain evidence of the financial condition of the insurer for at least five years.

(3) A surplus line broker may place insurance with an alien unauthorized insurer shown on the National Association of Insurance Commissioners (NAIC) Quarterly Listing of Alien Insurers. The financial condition of an insurer named on the listing is deemed to be adequately documented.

[Statutory Authority: RCW [48.02.060](#), [48.15.040](#)(4), and [48.15.090](#)(2). WSR 12-04-082 (Matter No. R 2011-10), § 284-15-020, filed 1/31/12, effective 3/2/12. Statutory Authority: RCW [48.02.060](#), [48.15.040](#)(4), [48.15.073](#)(2), and [48.15.160](#)(2). WSR 08-14-169 (Matter No. R 2008-04), § 284-15-020, filed 7/2/08, effective 8/2/08. Statutory Authority: RCW [48.02.060](#). WSR 81-03-082 (Order R 81-1), § 284-15-020, filed 1/21/81.]

WAC 284-15-030

Brokers – Surplus Line Broker’s Form to be Filed Contract Statement to be Used.

(1) For the purpose of complying with the requirements of RCW [48.15.043](#) and [48.15.040](#), the date insurance is procured is the date coverage is bound or the date coverage is effective, whichever is later. The certification required by RCW [48.15.040](#) must be in substantially the following form, and may include additional information to satisfy requirements of the Surplus Line Association of Washington:

Surplus Line
ASSOCIATION OF WASHINGTON

THE SURPLUS LINE ASSOCIATION OF WASHINGTON

To THE SURPLUS LINE ASSOCIATION OF WASHINGTON:

The following statement of insurance written or proposed to be written in non-admitted insurers is hereby submitted in accordance with the Rules of the Surplus Line Association of Washington for registration by the Association as a risk qualified under the terms of the rules and regulations of the Insurance Commissioner of the State of Washington relative to surplus line insurance. A copy of the Declarations Page, Certificate or Cover Note together with any other written documents are required to be submitted.

Policy or Certificate No. _____ Premium (add policy fee, if any) on which Taxes were Computed \$ _____

Multi-State Account with Washington as Home State

1. Name of filing Surplus Line Broker: _____ SLA Number: _____

2. Name and address of referring insurance producer (if any): _____ Individual Surplus Line Broker WAOIC# _____

3. Name(s) of unauthorized insurer(s): _____

4. Name and address of insured: _____

5. Effective Date or Binding Date (whichever is later): _____

6. Brief statement of coverage (common trade terms may be used, e.g. D.I.C.): _____

I have procured insurance from an unauthorized insurer or insurers, in accordance with the laws and regulations of the State of Washington under my surplus line broker's license. Details of such transactions are set forth above.

The insurance could not be procured, after diligent effort was made to do so from among a majority of the insurers authorized to transact that kind of insurance in this state, and placing the insurance in an unauthorized insurer(s) was not done for the purpose of securing a lower premium rate than would be accepted by any authorized insurer.

I certify that I am duly authorized to place this coverage on behalf of the insured, that the risk has been duly accepted by the insurer(s), and that the financial condition of the unauthorized insurer(s) before placing the insurance therewith meets or exceeds the financial requirements provided by law.

I certify that under the penalty of the suspension or revocation of my surplus line broker's license that the facts contained in this certification are true and correct.

(Signature or Electronic Certification of Surplus Line Broker) (Date)

*This Broker's Certification Form is automatically generated for acknowledgment in SLIP when filing a policy.

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(2) Every insurance contract, including those evidenced by a binder, procured and delivered on or after January 1, 2012, as a surplus line coverage under chapter [48.15](#) RCW must have a conspicuous statement upon its face, which must be initialed by or bear the name of the surplus line broker who procured it, as follows:

"This contract is registered and delivered as a surplus line coverage under the insurance code of the state of Washington, Title 48 RCW. It is not protected by any Washington state guaranty association law."

WAC 284-15-035

Exempt Commercial Purchasers

A surplus line broker who has procured insurance with an unauthorized insurer for an exempt commercial purchaser **must file with the commissioner within sixty days of the procurement (binding or effective date, whichever is later)** of the insurance a report of the insurance. The report must be in a format acceptable to the commissioner. The report must include the following information:

- (1) Policy or certificate number;
- (2) Premium, including any policy fee;
- (3) Name and license number of the filing surplus line broker;
- (4) Name and address of referring insurance producer (if any);
- (5) Name(s) of unauthorized insurer(s);
- (6) Name and address of insured;
- (7) Binding or effective date, whichever is later;
- (8) Brief statement of coverages (common terms may be used); and
- (9) Other information as required by the commissioner.

[Statutory Authority: RCW [48.02.060](#), [48.15.040\(4\)](#), and [48.15.090\(2\)](#). WSR 12-04-082 (Matter No. R 2011-10), § 284-15-035, filed 1/31/12, effective 3/2/12.]

WAC 284-15-040

Form for Surplus Line Insurer to Designate Person to Receive Legal Process

(1) RCW [48.15.150](#) permits service of legal process against an unauthorized insurer to be made upon the commissioner. The commissioner will mail the documents of process to the insurer at its principal place of business last known to the commissioner, or to a person designated by the insurer for that purpose in the most recent document filed with the commissioner on a form prescribed by the commissioner. If an unauthorized insurer elects to designate a person to receive legal process from the commissioner, the designation must be in writing and filed with the commissioner in substantially the form set forth on the commissioner's website at: www.insurance.wa.gov.

(2) The person designated by the insurer to receive legal process may be an individual, firm or corporation.

(3) The process documents will be forwarded by the commissioner to the person designated in the most recent notice filed with the commissioner.

(4) As specified in RCW [48.15.150](#), each policy issued by an unauthorized insurer as a surplus line contract **must designate the commissioner as the person upon whom service of process may be made.**

WAC 284-15-050 Surplus Line – Waiver of Financial Requirements.

(1) **The commissioner may waive the financial requirements** specified in RCW [48.15.090](#) in circumstances where insurance cannot be otherwise procured on risks located in this state. Except as set forth in (e) of this subsection, at least the following information must be submitted when a surplus line broker requests the commissioner to waive the financial requirements:

- (a) **A detailed letter** explaining the need to waive the financial requirements;
- (b) Documentation of the financial condition of the proposed insurer as reported in its annual statement as of the end of the preceding calendar year;
- (c) Summary information showing the number of years the company has been writing the specific line of insurance;
- (d) A written acknowledgment signed by the proposed insured confirming all of the following:
 - (i) The insured has been informed that the coverage will be issued by an insurer (or insurers) that is not an authorized insurer in the state of Washington;
 - (ii) The insured understands that financial requirements for surplus line insurers must be waived by all parties concerned to enable this coverage to be obtained; and
 - (iii) The insured understands that there is no protection for the insured under the Washington Insurance

WAC 284-15-080 Relationship Between Surplus Line Broker and Insurance Producer Not Acting as the Agent of the Insured

When a surplus line broker accepts surplus line business from an insurance producer not acting as an agent of the insured, as permitted by RCW [48.15.080](#), **acceptance of the business does not mean that the insurance producer has become the representative of the insured with respect to that business. In this circumstance:**

- (1) Return premiums or claim payments will not be deemed to have been paid to the insured or claimant until the payments are actually received by the insured or claimant.
- (2) Delivery of notices involving the insurance, such as cancellation or renewal notices, will not be deemed to have been made until actually received by the insured.

WAC 284-30-590 Unfair Practices with Respect to Policy Cancellations, Renewals and Changes.

(5) The cancellation and renewal provisions set forth in chapter 48.18 RCW do not apply to surplus line policies. To avoid unfair competition and to prevent unfair practices with respect to consumers, it is an unfair practice for any surplus line broker to procure any policy of insurance pursuant to chapter 48.15 RCW that is cancelable by less than ten days advance notice for nonpayment of premium and twenty days for any other reason, except as to a policy of insurance of a kind exempted by RCW 48.15.160. This rule shall not prevent the cancellation of a fire insurance policy on shorter notice in accord with chapter 48.53 RCW.

Filing Information.



RULE 4 SUBMISSION PROCEDURE AND FORMS

All surplus line insurance coverages written by members of the Association on Washington risks (per RCW48.15.120) are to be submitted to the Association office for examination.

The following Rules shall apply to such submissions:

- (1) All submissions must be filed on forms prescribed and furnished by the Association.
- (2) The certification form must be filed within sixty (60) days of the effective or procurement date. Policy documents are to be filed with the certification form. If these policy documents are not available within 60 days, these policy documents must be sent upon receipt by the member. Policy documents required are:
 - (a) Policy declarations, certificate or cover note declarations
 - (b) Supplemental declarations
 - (c) Schedule of forms and endorsements
 - (d) Copy of the service of suit endorsement
- (3) Upon receipt of a complete submission, the Association office will either accept the same by registering the submission or will issue a "tag" for correction. Submissions "tagged" for amendment or correction must be corrected promptly.
- (4) When the Association office receives a certification form, the Association office will thereafter deliver a copy of the certification form to the Insurance Commissioner. Whether or not the submission is registered it will be considered filed with the Insurance Department for reporting and tax purposes. Changes to the certification form can be made until the account is registered. This will complete the surplus line broker's filing requirement under the Washington Insurance Code.
- (5) The policy will not be considered registered until the certification form and policy documents have been received and reviewed by the Association, any tags have been cleared, and registration confirmation has been sent to the broker.
- (6) The notice of a "Registered" certification form and a copy of coverages constitutes a complete copy of the filing for the broker's records.



- (7) Endorsements or other modifications of coverages previously submitted must be promptly filed with the Association where the endorsement or other modification involves any additional or return premium, changes in security, or a change of policy number.
 - (a) Endorsements having additional or return premiums must include details, e.g. premiums, state tax, stamping fee.
 - (b) Non-money endorsements need not be filed, except for changes of security (insurer) or policy number.
 - (c) Certifications should not be submitted with an endorsement.
- (8) Itemization of Premium, Taxes and Fee: Each filing involving premium must include the following itemized charges:
 - (a) Premium Policy Fee
 - (b) Any other applicable fees charged
 - (c) State Tax - Refer to Rule 7
 - (d) Stamping Fee - Refer to Rule 6

State tax and stamping fee are based on the sum of all premiums and fees, including but not limited to policy, broker and/or inspection fees.
- (9) Listing of Insurers in each Certificate of Coverage: In each submission filed with the Association there shall appear in full the names of all insurers assuming liability, and the percentage of such liability respectively assumed by them, said names to appear both in the certificate and also in Item 3 of the certification form so that the Insurance Commissioner will be advised.
- (10) All documents submitted shall be confidential information to the Association office, and shall not be divulged to, or to be open to inspection by any third party, except the Insurance Commissioner or other governmental agency having legal authority, therefore. Provided, however, that the Board of Directors may, by resolution adopted by a majority of its members, allow or require the Executive Director to disclose specific types or categories of information in accordance with the terms, conditions and limitations of such resolution.

48.14.020 Premium Taxes.

(1)(a) Subject to other provisions of this chapter, each authorized insurer except title insurers and registered eligible captive insurers as defined in RCW [48.201.020](#) shall on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax on premiums. Except as provided in subsection (3) of this section, such tax shall be in the amount of two percent of all premiums, excluding amounts returned to or the amount of reductions in premiums allowed to holders of industrial life policies for payment of premiums directly to an office of the insurer, collected or received by the insurer under RCW [48.14.090](#) during the preceding calendar year other than ocean marine and foreign trade insurances, after deducting premiums paid to policyholders as returned premiums, upon risks or property resident, situated, or to be performed in this state. For tax purposes, the reporting of premiums shall be on a written basis or on a paid-for basis consistent with the basis required by the annual statement. For the purposes of this section the consideration received by an insurer for the granting of an annuity shall not be deemed to be a premium.

(b) Beginning July 1, 2023, and July 1st of each year thereafter, the state treasurer shall deposit \$7,000,000 in moneys collected for premium taxes pursuant to this section into the Washington auto theft prevention authority account created in RCW [46.66.080](#). Beginning July 1, 2023, the amount deposited under this subsection must be adjusted by the most current seasonally adjusted index of the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor.

(2)(a) The taxes imposed in this section do not apply to amounts received by any life and disability insurer for health care services included within the definition of practice of dentistry under RCW [18.32.020](#) except amounts received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended, and for stand-alone family dental plans as defined in RCW [43.71.080](#)(4)(a), only when offered in the individual market, as defined in RCW [48.43.005](#), or to a small group, as defined in RCW [48.43.005](#).

(b) Beginning January 1, 2014, moneys collected for premiums written on qualified health benefit plans and qualified dental plans offered through the health benefit exchange under chapter [43.71](#) RCW must be deposited in the health benefit exchange account under RCW [43.71.060](#).

(3) In the case of insurers which require the payment by their policyholders at the inception of their policies of the entire premium thereon in the form of premiums or premium deposits which are the same in amount, based on the character of the risks, regardless of the length of term for which such policies are written, such tax shall be in the amount of two percent of the gross amount of such premiums and premium deposits upon policies on risks resident, located, or to be performed in this state, in force as of the thirty-first day of December next preceding, less the unused or unabsorbed portion of such premiums and premium deposits computed at the average rate thereof actually paid or credited to policyholders or applied in part payment of any renewal premiums or premium deposits on one-year policies expiring during such year.

48.14.020 Premium Taxes (continued).

(4) Each authorized insurer shall with respect to all ocean marine and foreign trade insurance contracts written within this state during the preceding calendar year, on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax of ninety-five one-hundredths of one percent on its gross underwriting profit. Such gross underwriting profit shall be ascertained by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance) on such ocean marine and foreign trade insurance contracts the net losses paid (i.e., gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include, for computation of the tax prescribed by this subsection, the amounts refunded, or paid as participation dividends, by such insurers to the holders of such contracts.

(5) The state does hereby preempt the field of imposing excise or privilege taxes upon insurers or their appointed insurance producers, other than title insurers, and no county, city, town or other municipal subdivision shall have the right to impose any such taxes upon such insurers or these insurance producers.

(6) If an authorized insurer collects or receives any such premiums on account of policies in force in this state which were originally issued by another insurer and which other insurer is not authorized to transact insurance in this state on its own account, such collecting insurer shall be liable for and shall pay the tax on such premiums.

[[2023 c 388 § 4](#); [2021 c 281 § 7](#); [2016 c 133 § 1](#); [2013 2nd sp.s. c 6 § 6](#); [2013 c 325 § 4](#); [2009 c 161 § 3](#); [2008 c 217 § 6](#); [1986 c 296 § 1](#); [1983 2nd ex.s. c 3 § 7](#); [1982 2nd ex.s. c 10 § 1](#); [1982 1st ex.s. c 35 § 15](#); [1979 ex.s. c 233 § 2](#); [1969 ex.s. c 241 § 9](#); 1947 c 79 § .14.02; Rem. Supp. 1947 § 45.14.02.]

48.14.020 Premium Taxes (continued).

(4) Each authorized insurer shall with respect to all ocean marine and foreign trade insurance contracts written within this state during the preceding calendar year, on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax of ninety-five one-hundredths of one percent on its gross underwriting profit. Such gross underwriting profit shall be ascertained by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance) on such ocean marine and foreign trade insurance contracts the net losses paid (i.e., gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include, for computation of the tax prescribed by this subsection, the amounts refunded, or paid as participation dividends, by such insurers to the holders of such contracts.

(5) The state does hereby preempt the field of imposing excise or privilege taxes upon insurers or their appointed insurance producers, other than title insurers, and no county, city, town or other municipal subdivision shall have the right to impose any such taxes upon such insurers or these insurance producers.

(6) If an authorized insurer collects or receives any such premiums on account of policies in force in this state which were originally issued by another insurer and which other insurer is not authorized to transact insurance in this state on its own account, such collecting insurer shall be liable for and shall pay the tax on such premiums.

[[2023 c 388 § 4](#); [2021 c 281 § 7](#); [2016 c 133 § 1](#); [2013 2nd sp.s. c 6 § 6](#); [2013 c 325 § 4](#); [2009 c 161 § 3](#); [2008 c 217 § 6](#); [1986 c 296 § 1](#); [1983 2nd ex.s. c 3 § 7](#); [1982 2nd ex.s. c 10 § 1](#); [1982 1st ex.s. c 35 § 15](#); [1979 ex.s. c 233 § 2](#); [1969 ex.s. c 241 § 9](#); 1947 c 79 § .14.02; Rem. Supp. 1947 § 45.14.02.]

48.17.597 Administrative Action Taken Against a Licensee in Another Jurisdiction or Governmental Agency – Report to Commissioner

(1) An insurance producer, title insurance agent, or adjuster shall report to the commissioner any administrative action taken against the insurance producer, title insurance agent, or adjuster in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.

(2) Within thirty days of the initial pretrial hearing date, an insurance producer, title insurance agent, or adjuster shall report to the commissioner any criminal prosecution of the insurance producer, title insurance agent, or adjuster taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.

[[2007 c 117 § 34](#).]

A stylized map of Washington state is shown in a medium blue color against a darker blue background. A white star is positioned in the western part of the state. The text 'Surplus Line' is written in a large, white, bold, sans-serif font across the middle of the map. Below it, the words 'ASSOCIATION OF WASHINGTON' are written in a smaller, white, all-caps, sans-serif font.

Surplus Line

ASSOCIATION OF WASHINGTON