



RULE-MAKING ORDER

CR-103P (May 2009)
(Implements RCW 34.05.360)

Agency: Office of the Insurance Commissioner

Permanent Rule Only

Effective date of rule:

Permanent Rules

31 days after filing.

Other (specify) **February 24, 2011** (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

Yes No If Yes, explain:

Purpose: The purpose of this new rule is to modify a recently adopted rule to ensure that insurers and the entities they contract with use their "legal name" when conducting insurance business so that consumers and the Office the Insurance Commissioner will be able to identify which insurer is involved in any insurance transaction.

Insurance Commissioner Matter No. R 2010-06

Citation of existing rules affected by this order:

Repealed:

Amended: WAC 284-30-670

Suspended:

Statutory authority for adoption: RCW 48.02.060

Other authority :

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 10-22-082 on November 1, 2010.

Describe any changes other than editing from proposed to adopted version:

WAC 284-30-670(4) "Existence of standards and procedures is not prima facie evidence of compliance."

WAC 284-30-670(6) "situations" was added to the end of the sentence and (a) "When the specific insurer is known" was added to the beginning of the sentence.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: Kacy Scott

phone (360) 725-7041

Address: PO Box 40258,

fax (360) 586-3109

Olympia, WA 98504-0248

e-mail kacys@oic.wa.gov

Date adopted:

January 3, 2011

NAME (TYPE OR PRINT)

Mike Kreidler

SIGNATURE

TITLE

Insurance Commissioner

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: January 03, 2011

TIME: 7:33 AM

WSR 11-02-048

(COMPLETE REVERSE SIDE)

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____

The number of sections adopted at the request of a nongovernmental entity:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted in the agency's own initiative:

New		Amended	<u>1</u>	Repealed	_____
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The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New	_____	Amended	_____	Repealed	_____
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The number of sections adopted using:

Negotiated rule making:	New	_____	Amended	_____	Repealed	_____
Pilot rule making:	New	_____	Amended	_____	Repealed	_____
Other alternative rule making:	New	_____	Amended	1	Repealed	_____

AMENDATORY SECTION (Amending Matter No. R 2008-11, filed 6/2/10, effective 7/3/10)

WAC 284-30-670 Insurers must transact business in their legal name. (1) Purpose and Scope. The purpose of this regulation is to adopt a long standing bulletin and a technical assistance advisory regarding the use of trade names, group names, logos or trademarks. The purpose of this regulation is also to set forth requirements to help ensure that a consumer knows the legal name of the insurer they are doing business with.

(2) Pursuant to RCW 48.30.010, the commissioner (~~is adopting this regulation as an unfair practice for the following reasons:~~

(a) ~~Many insurers fail or periodically fail to comply with the legal name requirement of RCW 48.05.190(1) when transacting insurance business.~~

(b) ~~When a consumer seeks assistance from the commissioner, the legal name of the company must be determined. When the consumer is unable to provide the information, the commissioner's staff must research it, which unnecessarily wastes the commissioner's resources and delays the inquiry and resolution, posing a risk of harm to the consumer.~~

(c) ~~Insurers will not accept a lawsuit from their insured if the paperwork does not identify the insurer correctly.~~

(2) ~~The following definitions apply to this section:~~

(a)) has found and hereby defines it to be an unfair practice for an insurer to conduct its business in any name other than its own legal name as required by RCW 48.05.190. Unless consumers are aware of the insurer's legal name, a consumer's policy rights and legal rights may be compromised. In addition, when consumers seek the commissioner's assistance and are not aware of the insurer's legal name, the commissioner's staff must research it, which unnecessarily wastes the commissioner's resources and delays the inquiry and resolution, posing a risk of harm to the consumer.

(3) When used in this regulation, "legal name" of the insurer means the name displayed on the Washington state certificate of authority issued by the commissioner.

~~((b) "Contracted entity" means an entity with which an insurer contracts to transact any aspect of the business of insurance, such as adjudicating claims, determining eligibility, or underwriting or marketing products on behalf of an insurer, and includes such entities as insurance producers, claims administrators, and managing general agents as defined in RCW 48.98.005(3).~~

(c) ~~"Transacting business" includes insurance transaction, as defined in RCW 48.01.060.~~

(3) An insurer must identify itself by its legal name when:

(a) ~~Transacting business with a consumer, insured, potential~~

~~insured or claimant as defined in WAC 284-30-320(2); and~~

~~(b) Communicating orally, electronically, or in writing with the commissioner regarding an investigation, inquiry, enforcement matter or examination.))~~ (4) Each insurer must have standards and procedures to ensure that each consumer with whom they conduct an insurance transaction is informed of and can consistently identify the legal name of the insurer. Each insurer must provide the insurance commissioner with its standards and procedures and proof of its compliance upon request. The insurer must be able to show the legal name was provided when issuing policy documents, billing statements, and other written communications regarding policy services, underwriting, and claims and at the point during policy sales transactions when the company is determined.

(5) To assist the commissioner in identifying the legal name of the insurer, insurers' written communications ((with)) to the commissioner in response to any investigation, inquiry, enforcement matter or examination must ((also)) include the insurer's NAIC code.

~~((4) Advertisements directed to insureds or potential insureds must clearly display the insurer's legal name and the location of its home office or principal office, as required by RCW 48.30.050.~~

~~(a) An advertisement by an insurance producer, licensee, or other marketing entity advertising an insurance product common to multiple insurers does not need to include the legal name of the insurer. The advertisement must include the insurance producer, licensee, or other marketing entity's name and address.~~

~~(b) Advertisements directed solely to insurance producers, providers, or other marketing entities, but not directed to insureds or potential insureds, are exempt from this subsection.~~

~~(5) Each single violation of this section by an insurer or its contracted entity may subject the insurer to all applicable provisions of Title 48 RCW, including, but not limited to, RCW 48.05.140 and 48.05.185.))~~

(6) This regulation does not bar the use of trade names, ((group names,)) logos ((or)), trademarks((. To be in compliance with RCW 48.05.190(1), when an insurer uses a trade name, group name, logo or trademark when conducting its business, the insurer must also identify itself by its legal name as required by this section.)) or group names that identify companies collectively, for brand identification or for general purposes, but an insurer must also provide its legal name in the following situations:

(a) When the specific insurer is known, in negotiations preliminary to the execution of an insurance contract;

(b) In the execution of an insurance contract;

(c) In the transaction of matters subsequent to the execution of an insurance contract and arising out of it.

(7) Violation of this regulation is not a violation for purposes of RCW 48.30.015(5).