

July 23, 2021

Rules Coordinator
Office of the Insurance Commissioner
5000 Capitol Blvd SE
Tumwater, WA 98501

Re: Comments on R 2021-15 FAIR Plan Committee Members - 7/13/2021 Stakeholder Draft
Sent via email: rulescoordinator@oic.wa.gov

Rules Coordinator:

The American Property Casualty Insurance Association (APCIA) and our members, that include a significant number of the property insurance writers in Washington state, submit the following comments on the captioned proposed rule changes.

The proposed language reads in section the draft of WAC 284-19-140 (2) (a) that states:

“284-19-140 (2) The committee consists of nine members, including six insurers, as follows
(a) All property and casualty insurers represented by a trade association shall designate or elect three members;”

APCIA requests that the new rule read as follows:

“284-19-140 (2) The committee consists of nine members, including six insurers, as follows:
(a) The American Property Casualty Insurance Association; or its successor; shall designate or elect three representatives as members of the committee; and
(b) All other stock insurers shall elect one member by a majority vote counted on a weighted bases in accordance with each insurer’s premiums written and the aggregate premiums written for all insurers in this respective group;
(c) All other nonstock insurers shall elect one member by a majority vote counted on a weighted bases in accordance with each insurer’s premiums written and the aggregate premiums written for all insurers in this respective group...”

The draft language is ambiguous and would create difficulties in understanding how to implement it within the industry and at the FAIR Plan itself as proposed.

The draft language would require changes to the processes in place since at the FAIR Plan under the current WAC language as there are multiple industry trade associations that could be interpreted to “represent” P&C insurers. The draft would require identification of all potential insurance trade associations (e.g., state, national, by type of insurer, etc.) and then the Plan would need revise its plan of operation to reflect that selection process.

Once the selected trade association(s) are identified, then the Plan would need to determine how the three representatives would be allocated between the selected associations. Also, since many property casualty insurers belong to more than one industry trade association, they could be “double counted” in some way.

The proposed wording does not provide any guidance on who has the authority to interpret and implement the section as worded.

The APCIA suggested language above is identical to that recently submitted by the Washington FAIR Plan and we would note that:

- It is almost the same as the wording currently in the WAC and only changes the industry association name to delete the names of the two that merged and replace them with the name of the new entity, the American Property Casualty Insurance Association.
- Since the APCIA is the successor to the two entities currently named in this WAC section, this is strictly a wording update, not language that requires a change in FAIR Plan processes.
- In order to avoid the need for future WAC updates in the event of additional mergers, we recommend including the words: "its successor" after the name of the APCIA.

APCIA and our member companies support the rest of the modifications to the proposed rules as drafted. We would be happy to discuss these recommended modifications to the proposed rule if you have any questions.

Thank you for your consideration of our comments.

Respectfully submitted,

A handwritten signature in black ink, reading "Donald L. Griffin". The signature is written in a cursive, flowing style.

Donald L. Griffin

Cc: Mark Sektnan,
Sharon Moller, Plan Manager, Washington FAIR Plan

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