



October 28, 2021

Stevan D. Phillips
600 University Street, Suite 3600
Seattle, WA 98101
D. 206.386.7621
stevan.phillips@stoel.com

VIA EMAIL [RULESCOORDINATOR@OIC.WA.GOV]

Office of the Insurance Commissioner Washington State
P.O. Box 40255
Olympia, WA 98504-0255

**Re: Captive Insurance (R 2021-12)
Proposed Rule CR-102**

Dear Sirs:

This letter of comments on the above proposed rule is submitted on behalf of the University of Washington. (“University”) The University is a public institution of higher education as defined by the Senate Substitute Senate Bill 5315, An Act Relating to Captive Insurance. (the “ACT”) It pays insurance premiums to its single parent captive insurer, Portage Bay Insurance Company. (“PBI”) PBI is an eligible captive insurer as defined by the Act. The University has caused PBI to become registered with the OIC as of September 2021 and paid the annual registration fee. Because PBI is affiliated with the University it is entitled to the exemption from payment of insurance premium taxes set forth in section 4(7) of the ACT. (“Taxes on premiums may not be imposed on or collected from an eligible captive insurer affiliated with a public institution of higher education.”)

We believe the OIC is well aware of the exemption granted to captives affiliated with institutions of higher education as this exemption was included in its form for registration of eligible captives. We assume that is why the proposed rule does not discuss this exemption nor do we believe the rule needs to discuss that exemption. The University has no objection to the proposed rule and looks forward to ongoing transparency and compliance regarding the operation of its captive insurer, PBI.

Very truly yours,

s/Stevan D. Phillips

Stevan D. Phillips

Office of the Insurance Commissioner Washington State
October 28, 2021
Page 2

Cc: Jane Yung, Executive Compliance and Risk Officer, University of Washington
Joe Dacca, Director of State Relations, UW External Affairs
David Kerwin, Division Chief, University Division, Attorney General's Office
Margaret Shepherd, Chief of Staff, Executive Office of the President and Provost