



Mike Kreidler- Insurance Commissioner

As required by

The Washington State Administrative Procedures Act

Chapter 34.05 RCW

Matter No. **R 2024-06**

**CONCISE EXPLANATORY STATEMENT; RESPONSIVENESS
SUMMARY; RULE DEVELOPMENT PROCESS; AND
IMPLEMENTATION PLAN**

Relating to the adoption of

Producer and Adjuster Licensing Requirements

October 1, 2024

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Section 1: Introduction

Revised Code of Washington (RCW) 34.05.325(6) requires the Office of Insurance Commissioner (OIC) to prepare a “concise explanatory statement” (CES) prior to filing a rule for permanent adoption. The CES shall:

1. Identify the Commissioner's reason's for adopting the rule;
2. Describe differences between the proposed rule and the final rule (other than editing changes) and the reasons for the differences; and
3. Summarize and respond to all comments received regarding the proposed rule during the official public comment period, indicating whether or not the comment resulted in a change to the final rule, or the Commissioner's reasoning in not incorporating the change requested by the comment; and
4. Be distributed to all persons who commented on the rule during the official public comment period and to any person who requests it.

Section 2: Reasons for Adopting the Rule

This rule includes both substantive and technical changes to producer and adjuster licensing requirements under Chapter 284-17 WAC. It aims to ensure that insurance regulations are clear, relevant, and consistent with Title 48 of the Revised Code of Washington 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, addressing a concern raised by the NIPR, 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 proposes to amend 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 involve removing 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 eliminates references to pre-licensing education (PLE) requirements for insurance producers, following the Hb 1061 (Chapter 21,

Laws of 2023) abolishing the PLE requirement. 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.

Section 3: Rule Development Process

On June 17, 2024, the Commissioner filed a CR-101 (Preproposal Statement of Inquiry) with the Washington State Register (WSR) to provide notice to interested parties of potential rulemaking (WSR 24-13-082). The comment period for the CR-101 closed on August 2, 2024, and no comments were received.

On August 5, 2024, the Commissioner filed a CR-102 (Proposed Rulemaking) with the WSR to begin formal rulemaking (WSR 24-16-118). The comment period for the CR-102 closed on September 26, 2024, and no comments were received.

The Commissioner held a public hearing on the proposed rule text on Tuesday, September 24, 2024, at 9:00 AM. Simon Casson, Senior Policy Analyst, administered the public hearing as a virtual meeting. No testimony was given.

On October 1, 2024, the Commissioner filed the CR-103 to adopt these rules, which become effective November 1, 2024.

Section 4: Differences Between Proposed and Final Rule

There are no differences between the CR-102 proposed rulemaking language and the final CR 103P adopted text.

Section 5: Responsiveness Summary

No comments were received for this proposed rule.

Comments	Agency Response
CR - 101	

Section 6: Implementation Plan

A. Implementation and enforcement of the rule.

After the permanent rule is adopted and filed with the Office of the Code Reviser:

- Policy staff will distribute copies of the final rule and the CES to all interested parties through the state’s GovDelivery electronic mail system.
- Policy staff will post the CR-103 documents and adopted rule on the OIC’s website.

B. How the Agency intends to inform and educate affected persons about the rule.

OIC staff will answer inquiries, hold meetings, and provide assistance to all affected insurance holding companies.

Questions about the new rule will be addressed to OIC staff as follows:

Type of Inquiry	Division
Consumer assistance	None (this rule does not apply to insurance consumers)
Company assistance	Company Supervision
Rule content	Company Supervision
Authority for rules	Policy
Enforcement of rule	Legal Affairs
Market Compliance	Company Supervision

C. How the Agency intends to promote and assist voluntary compliance for this rule.

- Policy staff will distribute copies of the final rule and the CES to all interested parties through the state’s GovDelivery electronic mail system.
- The CR-103 documents and adopted rule will be posted on the OIC’s website.

D. How the Agency intends to evaluate whether the rule achieves the purpose for which it was adopted.

This rule ensures that producer and adjuster licensing requirements under Chapter 284-17 WAC are clear, relevant, and consistent with Title 48 Revised Code of Washington and the forthcoming National Insurance Producer Registry interface enhancement. The Commissioner will continue to monitor producer and adjuster comments regarding the licensing process.

Appendix A

CR-102 Hearing Summary

Summarizing Memorandum

**To: Mike Kreidler
Insurance Commissioner**

**From: Simon Casson, Senior Policy Analyst
Presiding Official, Hearing on Rulemaking**

Matter No. R 2024-06

Topic of Rulemaking:

This memorandum summarizes the hearing on the above-named rule making, held virtually via Zoom on 9/24/2024 at 9:00 AM over which I presided in your stead. There were 11 attendees registered and present at the public hearing, including agency personnel.

The following agency personnel were present: Bryon Welch, Dory Nicpon, Ron Pastuch, Deanne Fritschy, Jaime Daley, Jeff Baughman, Nicole Rayl, and Todd Dixon.

In attendance:

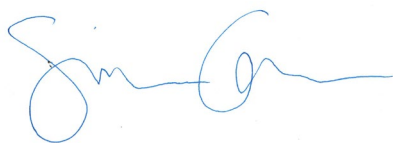
Karen Lang, Kelly Helton, Lisa Glass

No testimony provided.

Contents of the presentations made at hearing: None.

The hearing was adjourned.

SIGNED this 27th day of September, 2024



[NAME], Presiding Official

