



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) July 1, 2015 (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 rule will provide guidance to licensed insurance producers as to what may or may not constitute sharing commissions with non-licensed persons.

Insurance Commissioner Matter No. R 2012-16

Citation of existing rules affected by this order:

Repealed:

Amended:

Suspended:

Statutory authority for adoption: RCW 48.02.060 and RCW 48.17.005.

Other authority: RCW 48.17.490

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 14-10-080 on **May 7, 2014**.

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

The word "compensation" in the second line of WAC 284-17-800 was changed to "consideration" to use the same word as in the statute being implemented, RCW 48.17.490.

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

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Date adopted: August 12, 2014

NAME (TYPE OR PRINT)

Mike Kreidler

SIGNATURE

TITLE

Insurance Commissioner

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: August 12, 2014

TIME: 3:53 PM

WSR 14-17-026

(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Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____
Recently enacted state statutes:	New	_____	Amended	_____	Repealed	_____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New	_____	Amended	_____	Repealed	_____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New	4	Amended	_____	Repealed	_____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	<u>4</u>	Amended	_____	Repealed	_____

SHARING COMMISSIONS

NEW SECTION

WAC 284-17-800 Charitable contributions. An insurance producer may donate all or a portion of a commission, fee, or other consideration received in connection with the sale, solicitation, or negotiation of insurance to a charity only if all of the following conditions are met:

(1) The insured or prospective insured has no influence over which charity receives the donation;

(2) The donation is not made in the insured's or prospective insured's name;

(3) The insured or prospective insured is not entitled to a tax benefit for the donation; and

(4) The insured or prospective insured does not select or influence the selection of the person or persons who benefit from the charity.

NEW SECTION

WAC 284-17-810 Lead cards and mailing lists. (1) For the purposes of this section, lead card means communications distributed to the public which, regardless of form, content, or stated purpose, are used to compile a list containing names or other personal information regarding individuals who have expressed an interest in receiving information about insurance.

(2) A licensed insurance producer may compensate a person for the purchase of lead cards or a mailing list of prospective insureds, provided:

(a) The amount of the compensation is not based upon:

(i) The number of prospective insureds that apply for insurance or obtain insurance; or

(ii) The number of quotes issued to prospective insureds; and

(b) The person is in the business of selling lead cards or mailing lists.

(3) Lead cards may solicit interest in a particular line or type of insurance but must not:

(a) Seek information on behalf of or about a specific insurance company; or

(b) Seek information on behalf of or about a specific insurance producer.

NEW SECTION

WAC 284-17-820 Referrals. (1) A licensed insurance producer may give to an individual, prizes, goods, wares, or merchandise not exceeding twenty-five dollars in value in the aggregate in any consecutive twelve-month period for the referral of insurance business to the insurance producer; provided the giving of the prizes, goods, wares, or merchandise is not conditioned upon the person who is referred either applying for, or obtaining, or both, insurance through the insurance producer.

(2) The payment for the referral must not be in cash, currency, bills, coins, check, or by money order.

NEW SECTION

WAC 284-17-830 Promotional games of chance. An insurance producer may conduct a promotional game of chance provided that:

(1) The promotional game of chance is undertaken solely for the purpose of advertising and promoting the insurance producer;

(2) No person eligible to receive the prize is required to apply for insurance, purchase insurance, refer a person to the insurance producer, or pay any other consideration to enter the promotional game of chance;

(3) The promotional game of chance is open to the general public;

(4) The value of the prize is limited to twenty-five dollars in value;

(5) No person receives a total of prizes exceeding twenty-five dollars in value in the aggregate in any consecutive twelve-month period from the insurance producer; and

(6) The promotional game of chance complies with chapter 9.46 RCW and any and all other applicable Washington state statutes and rules.