



Independent Insurance Agents
& Brokers of Washington

October 5, 2015

Washington State Office of the Insurance Commissioner
Attn.: Mr. Jim Tomkins
PO Box 40258
Olympia, WA 98504-0258

RE: CR 102 – Sharing of Commissions by Licensed Insurance Producers (R 2015-07)

Dear Mr. Tomkins,

The Independent Insurance Agents and Brokers of Washington supports the Office of the Insurance Commissioner's administrative rule proposal R 2015-07. As you know, this updated rule is necessary because of the passage of ESSB 5743, legislation that made changes to the state's insurance rebating and inducement laws. This legislation took effect on July 24, 2015, and IIABW appreciates the OIC's effort to update these rules so quickly after enactment.

Thanks to the work of the OIC and IIABW, the new state law was appropriately modernized to continue allowing insurance producers to participate in a number of activities without violating the state's insurance rebating and inducement laws. The proposed administrative rule continues this good work by ensuring that the new requirements of the law are clearly reflected in administrative code.

These changes in state law and administrative code are important to IIABW. While large national insurers rely on their significant advertising presence to obtain and keep customers, local insurance agents depend on direct relationships to generate and keep customers. As a result, local insurance producers must compete on a more personal level by regularly thanking people for referring potential customers, supporting and participating in community non-profit organizations, and hosting meals with potential and existing customers. The changes that were made reflect today's challenges in marketplace for local independent insurance producers and agencies.

IIABW supports the proposed repeal of WAC 284-17-800, 284-17-820 and 284-17-830 and proposed WAC language clarifying insurance producers' ability to donate commissions as charitable contributions, and participation in referral activities and promotional games of chance used for marketing purposes. These changes provide a clear and straight-forward update to the OIC's administrative code.

Please contact me or our lobbyist, Bill Stauffacher, at (253) 566-1284, if you have any questions or need additional information from IIABW. Thank you for the opportunity to provide comments about R 2015-07 to the OIC. We appreciate the OIC's efforts on this issue both in the state legislative arena and during the administrative rules review.

Sincerely,

Daniel Holst
Executive Vice President

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