



Mike Kreidler- Insurance commissioner

As required by

The Washington State Administrative Procedures Act

Chapter 34.05 RCW

Matter No. **R 2021-22**

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

Relating to the adoption of

Audited financial statements Rule.

11/30/2021

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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 amends WAC 284-38-200 to provide a uniform timeline for submission of audited financial statements by entities authorized to issue charitable gift annuities. Currently, the regulation's wording technically provides a timeline to filers of consolidated audited statements only, which was not the intent as originally drafted.

The purpose of amending the language is to ensure the Charitable gift annuity issuers understand that a stand-alone audit needs to be filed within 15 days of release just like a consolidated audit.

Section 3: Rule Development Process

On August 30th, 2021, the Commissioner filed a CR-101 pre-proposal public notice of intent to adopt rules. The comment period was open through September 15, 2021. No comments were received.

On October 19th, 2021, the Commissioner filed a CR-102 proposed rulemaking. The comment period was open through October 29, 2021. No new comments were received.

On November 29th, 2021, the Commissioner held a public hearing to hear testimony on the proposed rule. No stakeholders attended the public hearing, and no testimony was provided. The hearing summary is in Appendix A.

Section 4: Differences Between Proposed and Final Rule

There were no differences between the two.

Section 5: Responsiveness Summary

No comments were received.

Section 6: Implementation Plan

A. Implementation and enforcement of the rule.

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

- Policy staff will distribute copies of the final rule and the Concise Explanatory Statement to all interested parties through the State's Govdelivery email system.
- The CR 103 documents and adopted rule will be posted on the Office of the Insurance Commissioner's website.
- Questions will be addressed by Office of the Insurance Commissioner's staff as follows:

Type of Inquiry	Division
Consumer assistance	Consumer Protection
Rule Content	Policy
Authority for rules	Policy
Enforcement of rule	Legal Affairs
Market Compliance	Producer licensing

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

- The agency will meet with and provide assistance to any affected property insurer.
- Policy staff will distribute copies of the final rule and the Concise Explanatory Statement to all interested parties through the State's Govdelivery email system.
- The CR 103 documents and adopted rule will be posted on the Office of the Insurance Commissioner's website.

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

- The agency will meet with and provide assistance to any affected property insurer.
- Policy staff will distribute copies of the final rule and the Concise Explanatory Statement to all interested parties through the State's Govdelivery email system.
- The CR 103 documents and adopted rule will be posted on the Office of the Insurance Commissioner's website

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

The agency will monitor the market to better understand the impacts of this rulemaking on the insurance repair process.

Appendix A

CR-102 Hearing Summary

Summarizing Memorandum

**To: Mike Kreidler
Insurance Commissioner**

**From: Tabba Alam
Presiding Official, Hearing on Rule-making**

Matter No. R 2021-22

Topic of Rulemaking: Audited financial statements.

This memorandum summarizes the hearing on the above-named rule making, held on [November 29, 2021, 1 PM, Through Zoom] over which I presided in your stead.

The following agency personnel were present:

In attendance and testifying:

There were no attendees.

Contents of the presentations made at hearing:

The hearing was adjourned.

SIGNED this 11/30/2021 day of 2021,

Tabba Alam
[NAME], Presiding Official