

**RCW 48.110.055 Protection product guarantee providers—  
Obligations—Application—Required information—Grounds for refusal—  
Annual renewal.** (1) This section applies to protection product  
guarantee providers.

(2) A person must not act as, or offer to act as, or hold himself  
or herself out to be a protection product guarantee provider in this  
state, nor may a protection product be sold to a consumer in this  
state, unless the protection product guarantee provider has:

(a) A valid registration as a protection product guarantee  
provider issued by the commissioner; and

(b) Either demonstrated its financial responsibility or assured  
the faithful performance of the protection product guarantee  
provider's obligations to its protection product guarantee holders by  
insuring all protection product guarantees under a reimbursement  
insurance policy issued by an insurer holding a certificate of  
authority from the commissioner or a risk retention group, as defined  
in 15 U.S.C. Sec. 3901(a)(4), as long as that risk retention group is  
in full compliance with the federal liability risk retention act of  
1986 (15 U.S.C. Sec. 3901 et seq.), is in good standing in its  
domiciliary jurisdiction, and properly registered with the  
commissioner under chapter 48.92 RCW. The insurance required by this  
subsection must meet the following requirements:

(i) The insurer or risk retention group must, at the time the  
policy is filed with the commissioner, and continuously thereafter,  
maintain surplus as to policyholders and paid-in capital of at least  
fifteen million dollars and annually file audited financial statements  
with the commissioner; and

(ii) The commissioner may authorize an insurer or risk retention  
group that has surplus as to policyholders and paid-in capital of less  
than fifteen million dollars, but at least equal to ten million  
dollars, to issue the insurance required by this subsection if the  
insurer or risk retention group demonstrates to the satisfaction of  
the commissioner that the company maintains a ratio of direct written  
premiums, wherever written, to surplus as to policyholders and paid-in  
capital of not more than three to one.

(3) Applicants to be a protection product guarantee provider must  
make an application to the commissioner upon a form to be furnished by  
the commissioner. The application must include or be accompanied by  
the following information and documents:

(a) The names of the protection product guarantee provider's  
executive officer or officers directly responsible for the protection  
product guarantee provider's protection product guarantee business and  
their biographical affidavits on a form prescribed by the  
commissioner;

(b) The name, address, and telephone number of any administrators  
designated by the protection product guarantee provider to be  
responsible for the administration of protection product guarantees in  
this state;

(c) A copy of the protection product guarantee reimbursement  
insurance policy or policies;

(d) A copy of each protection product guarantee the protection  
product guarantee provider proposes to use in this state;

(e) The most recent annual financial statements, if available, or  
the most recent financial statements certified as accurate by two or  
more officers of the applicant which prove that the applicant has and  
maintains a minimum net worth or stockholder's equity of two hundred

thousand dollars or more calculated in accordance with RCW 48.110.078 and the ability to pay its debts when debts become due; and

(f) A nonrefundable application fee of two hundred fifty dollars.

(4) Each registered protection product guarantee provider must appoint the commissioner as the protection product guarantee provider's attorney to receive service of legal process issued against the protection product guarantee provider in this state upon causes of action arising within this state. Service upon the commissioner as attorney constitutes effective legal service upon the protection product guarantee provider.

(a) With the appointment the protection product guarantee provider must designate the person to whom the commissioner must forward legal process so served upon him or her.

(b) The appointment is irrevocable, binds any successor in interest or to the assets or liabilities of the protection product guarantee provider, and remains in effect for as long as there could be any cause of action against the protection product guarantee provider arising out of any of the protection product guarantee provider's contracts or obligations in this state.

(c) The service of process must be accomplished and processed in the manner prescribed under RCW 48.02.200.

(5) The commissioner may refuse to issue a registration if the commissioner determines that the protection product guarantee provider, or any individual responsible for the conduct of the affairs of the protection product guarantee provider under subsection (3)(a) of this section, is not competent, trustworthy, cannot demonstrate a minimum net worth or stockholder's equity in accordance with the applicable requirements of subsection (3)(e) of this section and the ability to pay its debts when debts become due, or has had a license as a protection product guarantee provider or similar license denied or revoked for cause by any state.

(6) A registration issued under this section is valid, unless surrendered, suspended, or revoked by the commissioner, or not renewed for so long as the protection product guarantee provider continues in business in this state and remains in compliance with this chapter. A registration is subject to renewal annually on the first day of July upon application of the protection product guarantee provider and payment of a fee of two hundred fifty dollars. If not so renewed, the registration expires on the June 30th next preceding.

(7) A protection product guarantee provider must keep current the information required to be disclosed in its registration under this section by reporting all material changes or additions within thirty days after the end of the month in which the change or addition occurs. [2019 c 16 s 3; 2016 c 224 s 4; 2011 c 47 s 17; 2006 c 274 s 17.]