



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

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DATE: July 06, 2021

TIME: 7:25 PM

WSR 21-14-075

Agency: Office of the Insurance Commissioner

Subject of possible rule making: Implementation of 2SSB 5315 (Chapter 281, Laws of 2021) – Captive Insurance

Insurance Commissioner Matter R 2021-12

Statutes authorizing the agency to adopt rules on this subject: Section 6 of Chapter 281, Laws of 2021, and RCW 48.02.060(3)(a).

Reasons why rules on this subject may be needed and what they might accomplish: The act relating to Captive Insurance (2SSB 5315) has become effective as law (Chapter 281, Laws of 2021). This law establishes statutory framework for Washington-based private entities and public institutions of higher education to manage their risks through captive insurers, which will require proper regulation and taxation by the Office of the Insurance Commissioner (OIC).

This law also authorizes OIC rulemaking to incorporate the statutory framework and requirements for Captive Insurance into the Washington Administrative Code, along with implementation processes, clarifications, and regulatory guidance. The Commissioner will consider rulemaking related to determining eligibility of captive insurers, registering and renewing eligible captive insurers, enforcement, and collecting associated taxes, registration fees, and annual renewal fees from captive insurers that are licensed by their domicile jurisdictions and insure Washington-based entities. This law does not make Washington a captive domicile state.

These rules will facilitate implementation of Captive Insurance by ensuring that all affected entities understand their rights and obligations under the new law.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Submit written comments by July 28, 2021

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

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Additional comments:	
Date: July 6, 2021	Signature: 
Name: Mike Kreidler	
Title: Insurance Commissioner	