



Washington Surveying & Rating Bureau

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RULES AND REGULATIONS

OF THE

WASHINGTON SURVEYING AND RATING BUREAU

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WASHINGTON SURVEYING AND RATING BUREAU

RULES AND REGULATIONS

In conformity with Chapter 48.19 of the Revised Code of Washington, the rules and regulations governing the conduct of the Washington Surveying and Rating Bureau ("WSRB") and its relationship to its subscribers and the insuring public are established as follows:

1. **COMPOSITION AND GENERAL FUNCTIONS:** The general functions of WSRB shall be to act as an insurance rating bureau pursuant to the statutes of the State of Washington and the rules and regulations of the Insurance Commissioner promulgated thereunder as to all kinds and classes of insurance included in its license. It shall have the power to do all things reasonable appurtenant thereto.

Pursuant to RCW 48.19.170(2), WSRB shall be operated by residents of the state, as a non-profit public service institution, furnishing its services without discrimination among its subscribing companies, which shall be the owners thereof under a trust agreement approved by the Insurance Commissioner, but whose sole connection with WSRB shall be that of subscribership.

2. **SUBSCRIBERSHIP:** Any insurer authorized to write within the state, a kind of property insurance for which loss costs, rules or forms are currently prepared by WSRB, and which is eligible to become a subscriber under the applicable provisions of the Insurance Code may, subject to compliance with these rules and regulations, become and remain a subscriber to WSRB. Application for subscribership shall be made upon a form to be furnished by WSRB, as set forth in Attachment B – Subscription to Washington Surveying & Rating Bureau. An insurer may become a subscriber for the complete services of WSRB or one or more of the types or classes of services which may, in the judgment of WSRB, be reasonably segregable.

A subscribing company may terminate or modify the extent of its subscription by completing the WSRB Subscriber Modification/Termination form, as set forth in Attachment C, and giving thirty (30) calendar days' written notice. Such action shall be subject to payment of all assessments on business written prior to the effective date, and may be subject to payment of all assessments due for the remainder of the calendar year. This payment shall include any refunds and billings that have not yet been billed or refunded for all assessment years up to and including the calendar year of termination.

3. **ASSESSMENT AND CHARGES:** WSRB may segregate into separate categories various classes of its services and compute separate rates thereon for each calendar year based upon allocated direct costs plus an apportionment of general overhead. The rates shall represent the relationship between the cost of furnishing the services in each category and the total premiums of all subscribers thereto.

Each subscribing company shall furnish WSRB with complete information as to the business written within the state in each calendar year on all business with respect to which it receives service from WSRB, segregated as to each category for which WSRB makes a separate assessment rate. This information shall be set forth upon a form prepared by WSRB, as set forth in Attachment D – WSRB Written Premium Reporting Form, and shall be forwarded to WSRB not later than June 30th following the end of the calendar year. Failure to furnish information by such date will constitute acquiescence on the part of the subscriber that WSRB shall compute its assessment based upon information on file in the subscribing company's annual report to the Insurance Department, and adjusted by application of WSRB's judgment

as to matters not ascertainable therefrom. Additional assessment information will not be accepted after August 1st following the end of the calendar year unless specific approval is granted by WSRB. Assessments will be figured upon the amount of gross direct premiums written. Variations of any nature from general WSRB filings, or a return of any part of the premium to the insured as a dividend under a participation agreement shall not be considered.

If a company subscribes to only a portion of WSRB services but receives, as to classes unsubscribed for, benefit from WSRB services (such as, but not limited to, the grading of cities, towns and fire protection districts, ordering survey reports), then the assessment rate for the cost of such services shall also be applied to the writings in the classes unsubscribed for but as to which the benefits are received.

In the event a subscribing company is a member of a group of companies under common management, and non-subscribing companies of the group receive benefit from or make use of WSRB services, then the assessment rate for such services shall be applied to the writings of the non-subscribing company member also. Completion of Attachment B – Subscription to Washington Surveying and Rating Bureau, will be required for such non-subscribing company members.

The minimum charge for subscribership for any WSRB service shall be determined and set forth in Attachment A – Subscriber Services and Fee Schedule.

WSRB shall, at the beginning of each calendar year, compute an assessment schedule using the latest available premium reports and an estimated budget. The Annual Assessments shall be billed at the beginning of each year and be payable by January 31 of that year. Assessments over \$10,000 may be invoiced and paid quarterly. A subscriber's annual assessment is computed by application of WSRB's assessment rate for such year to the latest available premiums received by the subscriber, adjusted by any charges or credits owed or due based on previous assessment years.

Any approved changes to an annual assessment that result in a refund of \$25.00 or less will be applied to the next assessment invoice and carried no longer than the first invoice for the next calendar year.

Should any subscriber fail to pay any assessment or charge owed to WSRB in accordance with these rules and regulations, or otherwise fail to comply with any provision thereof or of any other WSRB filing approved by the Insurance Commissioner, WSRB may take steps to collect the unpaid assessment or charge owed and may cease to render services to such subscriber and declare its subscribership to be terminated. Termination will be communicated in writing to the subscriber within thirty (30) calendar days of such determination.

4. **PUBLICATIONS AND SERVICES:** WSRB shall determine the number of publications and those other services furnished that have a direct relationship to volume of business and which shall be furnished to subscribers free of charge except as to assessments. For additional copies or for other services which have no direct relationship to the volume of business written, WSRB may make charges based upon actual costs involved including overhead. Such charges shall be determined and set forth in Attachment A – Subscriber Services and Fee Schedule.
5. **FILING AUTHORIZATION:** In the event any subscriber shall, pursuant to RCW 48.19.050, desire to authorize WSRB to make filings on its behalf with the Office of the Insurance Commissioner, it shall evidence such authorization by executing and returning WSRB's authorization form. WSRB shall notify the Insurance Department of such election within thirty

(30) calendar days of receipt. As long as this filing remains unrevoked, it shall constitute an adoption by such subscriber of all current filings of WSRB, except to the extent that variances therefrom may be specifically provided for by "Agency" filings as hereafter defined.

6. **WSRB FILINGS:** WSRB makes two types of filings, General Filings and Agency Filings, on behalf of subscribers which have given it filing authority.
 - a. General Filings: Pursuant to RCW 48.19.050, these filings constitute the published filings of WSRB, which are distributed among the subscribers and agents in the form of manuals, electronic media and schedules. They are applicable to all such subscribers except to the extent that they may be suspended, modified or nullified as to individual subscribers by agency filings.
 - b. Agency Filings: Any such subscriber may request WSRB to present to the Insurance Commissioner, on its behalf only, an Agency filing which is supplemental to, amendatory of, or in nullification of all or any part of WSRB's general filings. Any subscriber may elect to make such a filing on its own.
 - (1) In submitting agency filings, WSRB will act solely in the capacity of a forwarder sending to the Insurance Commissioner material received from the proposing subscriber. In so proceeding, WSRB does not commit itself as to supportability, properness or legality of the filing.
 - (2) Requested agency filings should be forwarded electronically to WSRB. The subject matter of the proposed filing should not be included in a letter of transmittal or a letter setting forth supporting data, but should be completely and separately set forth on sheets or pages of its own.
 - (3) Each agency filing should state as to within which of the following categories it falls:
 - (a) A filing in addition or supplemental to the general WSRB filings, in which event all current and future general filings of WSRB would continue to be applicable.
 - (b) A modification of the general filings, in which event all current or future general filings would continue to be applicable except to the extent of the modification.
 - (c) A substitute filing, nullifying a portion of the general filing and any applicable agency filing substitutions. In this event, no current or future general filings falling within the scope of the agency filing would be applicable to the subscriber making the filing.
 - (4) WSRB will promptly forward, to the involved subscriber, electronic copies of any communication relative thereto received from the Insurance Commissioner. WSRB shall regard all material relative to "Agency" filings as confidential to the subscriber by which it is submitted until such time as it may be approved by the Commissioner, whereupon it shall be regarded as a public document.
 - (5) WSRB may establish separate reasonable charges, if any, for the expense involved in making "Agency" filings. Such charges shall be determined and set forth in Attachment A – Subscriber Services and Fee Schedule.
7. **WSRB's RELATIONSHIP TO PROPERTY OWNERS, INSURED AND THEIR DESIGNATED REPRESENTATIVE, AGENT OR BROKER OF RECORD**

AUTHORIZATIONS:

As an adjunct to the services rendered to its subscribers, WSRB has occasion to furnish information to insureds and property owners and their designated representatives. Also RCW 48.19.300 provides in substance that WSRB shall, for a reasonable charge, furnish to any Insured or its authorized representative, all pertinent information relative to any advisory loss cost promulgated by WSRB on property in which such insured has an interest. Such charges shall be determined and set forth in Attachment A – Subscriber Services and Fee Schedule. An insured may desire to appoint a designated insurance agent or broker as a representative in dealing with WSRB, and this may be done subject to the following conditions:

- a. Appointment of an insurance agent or broker of record shall be made upon a form to be furnished by or otherwise satisfactory to WSRB. It must be signed by the insured; personally if an individual, by a member of the firm if a partnership or by an authorized officer if a corporation.
- b. The appointment shall detail the property or properties which are to be the subject of insurance, and the kinds of insurance which are to be involved. An insured may restrict any appointment to a specific property or kind of insurance, or apply it to any combination desired. The insured may designate a different insurance agent or broker of record for each property or kind of insurance; but there may not, at any time, be more than one authorized insurance agent or broker of record for the same property and the same kind of insurance.
- c. As indicated by the form, the insurance agent or broker of record may assign or delegate authority by naming a person, company or organization to act as service representative. There may be different service representatives for each property or kind of insurance, but there may not, at any one time, be more than one service representative for the same property and the same kind of insurance.
- d. The filing of an insurance agent or broker of record authority or assignment thereunder revokes all previous designations, and WSRB shall immediately recognize only the latest appointee upon receipt of such designation.
- e. The filing of an insurance agent or broker of record authorization will be recognized by WSRB as direction from the insured. This direction signifies that matters relating to advisory loss costs and forms of coverage for the described property and kinds of insurance shall be discussed with the insurance agent or broker of record or an assignee as set forth in the latest dated designation on file with WSRB. If, however, at the time of such filing there are matters relative to such properties pending before WSRB which have been initiated by some person other than the currently designated insurance agent or broker of record or assignee, WSRB reserves the right to continue to deal with the initiator of the inquiry to the extent necessary to complete the pending transaction. Nothing in this paragraph waives the right of WSRB (or any entity with which WSRB or its subsidiaries have a contract allowing the publishing) to display or publish Loss Costs, underwriting reports, pictures, or diagrams of the property.
- f. As to properties or kinds of insurance concerning which no insurance agent or broker of record authorization has been executed by the insured or property owner, WSRB will be free, at its discretion, to discuss matters relative to the rating of such properties with any person, and WSRB (or its subsidiaries or other entities where allowed by contract) will be free to display or publish Loss Costs, underwriting reports, pictures, or diagrams of the property on its web site.

- g. WSRB, under all circumstances, and regardless of whether or not an insurance agent or broker of record authority has been or is presently in effect, reserves the right to consider as accessible or inaccessible to any person, files or records relating to superseded or noncurrent advisory loss costs. WSRB will use its own discretion as to the release of any type of information under special or unusual circumstances.

8. **INSPECTIONS AND EFFECTIVE DATES:**

a. Applications for Inspection:

- (1) Applications for Specific Commercial Property Evaluation may be made by (1) a Subscriber, (2) the insured or owner, (3) duly appointed insurance agent or broker of record or assignee under an assignment of authority, or (4) an insurance agent where there is no insurance Agent or Broker of Record Authorization on file with WSRB as to the subject of insurance involved.
- (2) Applications for Specific Commercial Property Evaluation may be made for eligible new building construction. In case of change of occupancy, construction, exposure or protection of any risk for which a published advisory loss cost is named, policies should be issued at a Tentative Advisory Loss Cost or existing advisory loss costs and an application for new advisory loss costs submitted to WSRB immediately after writing the policy.
- (3) Even though no application has been filed, WSRB reserves the right in all cases (1) to evaluate new buildings or new occupancies, (2) to revise existing advisory loss costs when conditions affecting such advisory loss costs have changed since last published, and (3) to decide whether an evaluation should be made of an existing building that is not subject to class rating whether or not a previous advisory loss cost has been published.

b. Procedures for Establishing Effective Date(s) of advisory Loss Cost Changes:

- (1) Changes of advisory loss costs through actual physical changes in construction, occupancy, protection or exposures shall become effective on such date as may be named by WSRB, and premiums on existing policies affected thereby may be adjusted on a pro rata basis, unless otherwise specifically provided.
- (2) Effective Date of advisory Loss Cost Modifications: WSRB shall have the discretionary right to determine the effective date of advisory loss cost modifications resulting from changes in the physical characteristics of a risk or of the protection available thereto. The normal procedure to be followed in establishing effective dates shall be as hereafter set forth:
 - (a) As to changes involving numerous risks or a designated area such as would result from a change (1) in protection class grading of a city, town, or fire protection district, or (2) in advisory loss costs produced through application of a new or revised schedule, or by a general class adjustment, the effective date shall coincide approximately with the date of publication of new advisory loss costs.

- (b) As to changes resulting from an application for a survey of an individual risk, the effective date shall not be more than sixty (60) days prior to the receipt of the application by WSRB or the date of completion of the physical change upon which the modification is based, whichever is later.
- (c) As to changes resulting from inspection of an individual risk made by WSRB upon its own initiative, in accordance with subitem 8.a.3. above, the effective date shall be that of the inspection date.

9. **RATING AND UNDERWRITING INFORMATION:** Rating and underwriting information will be furnished upon request, under the following procedures:

a. Rating Information:

(1) Advisory Loss Cost Discussion and Information:

- (a) WSRB will discuss advisory loss costs and furnish information relating to contemplated construction or alterations of buildings, changes in occupancy, exposures or protection with (1) the insured or owner of the property, duly appointed insurance agent or broker of record, or assignee, or (2) when there is no insurance Agent or Broker of Record Authorization on file, then with an insurance agent or company carrying existing insurance, or architects and contractors or persons, firms or corporations not associated with the insurance business when written authorization by the Insured or owner for securing such information is submitted with the request.
- (b) Advisory Loss Costs developed under current surveys and filings or advisory loss costs pertaining to new construction, alterations, occupancy, exposures or protection only will be considered proper subjects of discussion. The right of access to current surveys and filings does not carry with it the right to consult or discuss cancelled surveys, filings and other similar data.

(2) Tentative Advisory Loss Cost Quotations: In addition to the foregoing, formal written tentative advisory loss cost quotations (informal phone request would not apply) shall be subject to the following further conditions:

- (a) Tentative advisory loss costs will be computed contingent upon the submission of a complete set of plans, specifications and other pertinent information related to the property involved resulting in development of Advisory Loss Costs.
- (b) All such quotations will be (1) confirmed in writing (2) void sixty (60) days after date of issue, unless otherwise annulled, and (3) subject to the following necessary conditions: All final advisory loss costs are required by law to conform with conditions existing and filings in force at the time of placing of the coverage. Tentative advisory loss cost quotations are considered approximate only and are therefore subject to change or modification for any reason, including possible error in WSRB computation.

(c) WSRB need not furnish copies of surveys or rating formulas of tentative rates.

b. Underwriting Information: WSRB will furnish web access to subscribing companies and licensed insurance agents directly or through its subsidiaries, underwriting information,

consisting principally of Underwriting Reports. Other reports prepared for Subscribers may be furnished upon request.

10. **PUBLIC AND PRIVATE FIRE PROTECTION:** WSRB will consult with interested parties on matters pertaining to the installation and maintenance of public or private fire protection.
 - a. Public: WSRB will discuss the results of a community grading with officials of the respective communities or such person, firm or corporation as may be duly authorized to represent these officials. Because of the complexity involved, and to avoid confusion and unnecessary duplication of effort, consultations for the purpose of improving a community's fire insurance classification or forestalling a regression will normally require the active participation of authorized community officials. It will be mutually beneficial to submit plans for proper review and comment pertaining to new waterworks systems or extensions, improvements or other changes to existing systems, and proposed changes in other features involving fire defenses of a community.
 - b. Private: Plans for proposed new automatic sprinkler, fire alarm and private exterior fire protection systems, as well as extensions or changes in existing systems should be referred to WSRB for review, comment or acceptance for fire insurance rating purposes.
11. **CONFIDENTIAL/PROPRIETARY INFORMATION:** While the operation and filings of WSRB are, in general, open to the public, the information gathered by WSRB is used to develop confidential and proprietary products and services (which are protected by U.S. copyright and intellectual property law) for use by its customers and subscribers. Except as otherwise provided in these Rules and Regulations, public distribution, in any form, of information gathered by WSRB is at WSRB's sole discretion. However, WSRB will, as necessary or on specific request, maintain the confidentiality of information shared with WSRB in the course of an inspection, consultation, or in the performance of other services.
12. In case of irreconcilable disagreement between the Bureau and any subscriber with respect to the validity or amount of any assessment or any construction of the provisions of these rules and regulations, the Insurance Commissioner shall be asked to conduct a hearing with respect thereto and that the determination of such hearing, subject to the right of appeal as specified in the Insurance Code, shall be controlling and final as between the parties.

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WASHINGTON SURVEYING & RATING BUREAU
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