

Chapter 284-17B WAC

RENTAL CAR INSURANCE PRODUCER

WAC

284-17B-005	What definitions are important throughout the chapter?
284-17B-010	Who needs to be licensed as a rental car insurance producer?
284-17B-015	How can I apply for a rental car insurance producer license?
284-17B-020	Do I have continuing reporting and recordkeeping requirements?
284-17B-025	How is a rental car insurance producer license renewed?
284-17B-030	Can the rental car insurance producer endorse someone to act on behalf of the agent?
284-17B-035	Who can be a rental car insurance producer endorsee?
284-17B-040	Is the rental car insurance producer required to provide training and education to its endorsees?
284-17B-045	What activities are prohibited for rental car insurance producers?
284-17B-050	How should a rental car insurance producer account for premiums?
284-17B-055	What information must be included in the rental agreement?
284-17B-060	What information must be included in the written material or brochure?
284-17B-065	What information must be available to prospective renters?
284-17B-070	Should changes to brochures or written materials be submitted to the commissioner?
284-17B-075	Does the commissioner have authority to suspend, fine, or revoke my license or refuse to license me?
284-17B-080	Can the commissioner waive requirements or allow alternative mechanisms for the reporting or training and education requirements?

WAC 284-17B-005 What definitions are important throughout the chapter? Definitions:

(1) **"Endorsee"** means an unlicensed employee or agent of a rental car insurance producer who meets the requirements of this chapter.

(2) **"Person"** means an individual or a business entity.

(3) **"Rental agreement"** means any written master, corporate, group, or individual agreement setting forth the terms and conditions governing the use of a rental car rented or leased by a rental car company.

(4) **"Rental car"** means any motor vehicle that is intended to be rented or leased for a period of thirty consecutive days or less by a driver who is not required to possess a commercial driver's license to operate the motor vehicle and the motor vehicle is either of the following:

(a) A private passenger motor vehicle, including a passenger van, recreational vehicle, minivan, or sports utility vehicle; or

(b) A cargo vehicle, including a cargo van, pickup truck, or truck with a gross vehicle weight of less than twenty-six thousand pounds.

(5) **"Rental car insurance producer"** means any rental car company that is licensed to offer, sell, or solicit rental car insurance under this chapter.

(6) **"Rental car company"** means any person in the business of renting rental cars to the public, including a franchisee.

(7) **"Rental car insurance"** means insurance offered, sold, or solicited in connection with and incidental to the rental of rental cars, whether at the rental office or by prese-

lection of coverage in master, corporate, group, or individual agreements that is:

(a) Nontransferable;

(b) Applicable only to the rental car that is the subject of the rental agreement;

(c) Limited to the following kinds of insurance:

(i) Personal accident insurance for renters and other rental car occupants, for accidental death or dismemberment, and for medical expenses resulting from an accident that occurs with the rental car during the rental period;

(ii) Liability insurance, including uninsured or underinsured motorist coverage, whether offered separately or in combination with other liability insurance, that provides protection to the renters and to other authorized drivers of a rental car for liability arising from the operation of the rental car during the rental period;

(iii) Personal effects insurance that provides coverage to renters and other vehicle occupants for loss of, or damage to, personal effects in the rental car during the rental period; and

(iv) Roadside assistance and emergency sickness protection insurance.

(8) **"Renter"** means any person who obtains the use of a vehicle from a rental car company under the terms of a rental agreement.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-005, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-005, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-010 Who needs to be licensed as a rental car insurance producer? Any person in the business of renting cars to the public and offering rental car insurance must either:

(1) Be licensed under chapter 284-17 WAC; or

(2) Comply with chapter 48.115 RCW and this chapter.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-010, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-010, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-015 How can I apply for a rental car insurance producer license? Forms and instructions may be obtained by either calling the office of insurance commissioner or downloading them from the web site: www.insurance.wa.gov/. To apply for a rental car insurance producer license, the following must be submitted:

(1) A rental car insurance producer application signed by the applicant, an officer of the applicant, or owner of the rental car-company;

(2) A copy of articles of incorporation;

(3) A certificate of good standing from the secretary of state;

- (4) Underwriting insurer appointment form, INS 18;
- (5) The insurer's certification form as described in RCW 48.115.015 (2)(a) signed by the appointing authority;
- (6) A list of all locations in Washington identifying the manager or direct supervisor at each;
- (7) A list of the names of all endorsees to its rental car insurance producer license;
- (8) Certification by the rental car company that the listed endorsees have met the training requirements in RCW 48.115.020(4) and are authorized to offer, sell, and solicit insurance in connection with the rental of vehicles as described in RCW 48.115.005(7).
- (9) The training and education program and materials as described in RCW 48.115.020(4) and all brochures and other written materials provided to renters as described in RCW 48.115.025; and
- (10) Initial fees:

a. License fee for two years:	\$130 for business with under 50 employees
	\$375 for business with 50 or more employees
b. Appointment fee:	\$20 for each underwriting insurer
c. Location fee:	\$35 for each additional location. Location fees are not required for locations where there are no endorsees due to waiver or approved alternate arrangement under WAC 284-17B-080

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-015, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-015, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-020 Do I have continuing reporting and recordkeeping requirements? (1) Yes. The list of names of all endorsees to the rental car insurance producer license must be updated quarterly on a calendar year basis and submitted at the time of license renewal. The rental car company must retain each list for a period of three years from submission. At any time, endorsee lists must be provided to the commissioner upon request.

(2) The rental car insurance producer must maintain records of each transaction which allows it to identify the endorsee for one year.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-020, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-020, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-025 How is a rental car insurance producer license renewed? Rental car insurance producer licenses are issued for a period of two years. A renewal notice will be mailed to each licensed rental car insurance producer every other year from the date of issuance. The renewal notice must be submitted with the rental car company certification form and applicable fee:

<i>Date Fees are Received</i>	<i>Fee Every Other Year</i>
	50 OR MORE EMPLOYEES
Prior to or on renewal date:	\$375 with \$35 per each additional location
1-30 days late	\$562.50 with \$35 per each additional location
31-60 days late	\$749.75 with \$35 per each additional location
61 or more days late	New license is required
	UNDER 50 EMPLOYEES
Prior to or on renewal date:	\$130 with \$35 per additional location
1-30 days late	\$195 with \$35 per each additional location
31-60 days late	\$260 with \$35 per each additional location
61 or more days late	New license is required

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-025, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-025, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-030 Can the rental car insurance producer endorse someone to act on behalf of the agent? Yes. An endorsee may act on behalf of the rental car insurance producer. The endorsee may act only in the offer, sale, or solicitation of rental car insurance. A rental car insurance producer is responsible for, and must supervise, all actions of its endorsees related to the offering, sale, or solicitation of rental car insurance.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-030, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-030, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-035 Who can be a rental car insurance producer endorsee? An employee or agent of a rental car insurance producer may be an endorsee under the authority of the rental car agent license, if all of the following conditions are met:

- (1) The employee or agent is eighteen years of age or older;
- (2) The employee or agent is a trustworthy person and has not committed any act set forth in RCW 48.17.530;
- (3) The employee or agent has completed a training and education program; and
- (4) The employee or agent has a current agreement or business relationship with the rental car company.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-035, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-035, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-040 Is the rental car insurance producer required to provide training and education to its endorsees? Yes. The rental car insurance producer must provide training and education to its endorsees as described in RCW 48.115.020(4).

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-040, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-040, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-045 What activities are prohibited for rental car insurance producers? A rental car insurance producer must comply with RCW 48.115.030.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-045, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-045, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-050 How should a rental car insurance producer account for premiums? A rental car insurance producer is required to treat money collected from renters purchasing rental car insurance as funds received in a fiduciary capacity, unless:

- (1) The charges for rental car insurance coverage are itemized and related to a rental transaction; and
- (2) The insurer has consented in writing that premiums do not need to be segregated from funds received by the rental car insurance producer. This written statement must be signed by an officer of the insurer.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-050, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-050, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-055 What information must be included in the rental agreement? The rental agreement must be in writing and include the following:

- (1) Evidence of the rental car insurance coverage stated on the face sheet; and
- (2) An itemized list of all costs.

[Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-055, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-060 What information must be included in the written material or brochure? The brochure and written material must clearly, conspicuously, and in plain language:

- (1) Summarize, clearly and correctly, the material terms, exclusions, limitations, and conditions of coverage offered to renters, including the identity of the insurer;
- (2) Describe the process for filing a claim including a toll-free telephone number to report a claim;
- (3) Provide the rental car insurance producer's name, address, telephone number, and license number, and the commissioner's consumer hotline number;
- (4) Inform the renter that the rental car insurance may duplicate coverage provided by the renter's personal automobile insurance policy, homeowners' insurance policy, or by another source of coverage;

(5) Inform the renter that when the rental car insurance is not the primary source of coverage, the renter's personal insurance will serve as the primary source of coverage;

(12/22/10)

(6) Inform the renter that the purchase of the rental car insurance is not required to rent a car from the rental car insurance producer; and

(7) Inform the renter that the rental car insurance producer and the endorsees are not qualified to evaluate the adequacy of the renter's existing insurance coverages.

(8) The policy or certificate of coverage and rates must be filed and approved by OIC as outlined in RCW 48.18.100 and 48.19.040.

(9) If the written material includes a certificate of coverage or policy, the form number and edition, if applicable, of the approved certificate of coverage or policy must be identified on the printed material. The insurer must certify that the policy or certificate of coverage and the rates have been approved and that the wording on the written material is exactly as approved.

(10)(a) The renter must acknowledge the receipt of the brochures and written materials. The acknowledgment may be in the brochure or written materials, rental agreement, or a separate document.

(b) For transactions conducted by electronic means, the rental car agent must comply with the requirements of (a) of this subsection. Acknowledgment of the receipt of the documents may be made by either written or digital signature.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-060, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-060, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-065 What information must be available to prospective renters? Approved written material must be readily available to prospective renters at every location where rental car insurance is offered.

[Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-065, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-070 Should changes to brochures or written materials be submitted to the commissioner? Yes, all changes to brochures and written materials concerning the rental car insurance must be submitted to and approved by the commissioner prior to use. If the brochures have changes unrelated to the rental car insurance, those changes do not have to be submitted and approved.

[Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-070, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-075 Does the commissioner have authority to suspend, fine, or revoke my license or refuse to license me? Yes, the commissioner may fine, suspend, revoke, or refuse to issue a license to a rental car insurance producer or applicant. See RCW 48.115.035.

[Statutory Authority: RCW 48.02.060 (3)(a) and 48.17.010(5). 11-01-159 (Matter No. R 2010-09), § 284-17B-075, filed 12/22/10, effective 1/22/11. Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-075, filed 10/27/04, effective 11/27/04.]

WAC 284-17B-080 Can the commissioner waive requirements or allow alternative mechanisms for the reporting or training and education requirements? Yes. The commissioner may waive or accept alternate arrangements for some or all of the reporting requirements in WAC 284-17B-020 and the endorsee training and education requirements in WAC 284-17B-040 when the endorsees receive no compensation in any form based on the offering or sale of rental car insurance. A request for an alternative arrangement or waiver must be in writing. The request must detail why the reporting or training and education requirement is unduly burdensome due to cost or the nature of the business structure. The request must detail how consumers will be adequately protected under the proposed alternate arrangement or the proposed waiver. A new request must be filed at the time of license renewal.

[Statutory Authority: RCW 48.02.060, 48.30.010, and chapter 48.115 RCW. 04-22-045 (Matter No. R 2002-05), § 284-17B-080, filed 10/27/04, effective 11/27/04.]