

As required by

The Washington State Administrative Procedures Act

Chapter 34.05 RCW

Matter No. **R 2013-25**

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

Relating to the adoption of

**Filing of financial statements and related filings electronically**

**July 23, 2014**

## TABLE OF CONTENTS

Section 1	Introduction	pg. 3
Section 2	Reasons for adopting the rule	pg. 3
Section 3	Rule development process	pg. 3
Section 4	Differences between proposed and final rule	pg. 4
Section 5	Responsiveness summary	pg. 4
Section 6	Implementation plan	pg. 4
Appendix A	Hearing Summary	pg. 6

## **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**

Currently all Washington domestic insurance companies, health care service contractors, health maintenance organizations, and self-funded multiple employer welfare arrangements are required to file their financial statements and related filings with the Commissioner. Both paper and electronic filings are accepted under the agency's current business process. This rule amends the requirements for filing of these financial statements and related filings to require that the financial statements and related filings must be made electronically with the NAIC, or if the NAIC does not accept the filing, then electronically with the Commissioner.

## **Section 3: Rule Development Process**

On October 23, 2013 the Commissioner filed a CR 101 pre-proposal notice of intent to adopt rules. The comment period was open until December 2, 2013. The Commissioner received no comment letters.

On June 17, 2014 the Commissioner filed a CR 102. The comment period was open through July 21, 2014. The Commissioner received no comment letters.

The Commissioner held a public hearing on the proposed rule on July 22, 2014. No one testified at the hearing. The hearing summary is in Appendix A.

## Section 4: Differences Between Proposed and Final Rule

None

## Section 5: Responsiveness Summary

No comments were received.

## Section 6: Implementation Plan

### A. Implementation and enforcement of the rule.

Commissioner will notify all authorized domestic insurers, and registered health care service contractors, health maintenance organizations and self-funded multiple employer welfare arrangements of the amendments made by these rules.

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

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

- The Policy staff will distribute copies of the final rule to all interested parties and to its standard rule making listserv.
- The Rule Coordinator will post the CR 103 documents on the Office of the Insurance Commissioner's website.
- Company Supervision staff will inform all domestic insurers, and registered health care service contractors, health maintenance organizations and self-funded multiple employer welfare arrangements of the amendments made by these rules.
- Questions will be addressed by the Office of the Insurance Commissioner staff as follows:

Type of Inquiry	Division
Consumer assistance	Company Supervision
Rule content	Company Supervision
Authority for rules	Policy
Enforcement of rule	Company Supervision
Market Compliance	Company Supervision

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

Company Supervision staff will inform all domestic insurers, and registered health care service contractors, health maintenance organizations and self-funded multiple employer welfare arrangements of the amendments made by these rules.

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

In one year after the effective date of the rule, the Policy Analyst will review with the Company Supervision Division how well all the domestic insurers, and registered health care service contractors, health maintenance organizations and self-funded multiple employer welfare arrangements have complied with these rules.

Appendix A

CR-102 Hearing Summary

**Summarizing Memorandum**

**To: Mike Kreidler  
Insurance Commissioner**

**From: [NAME]  
Presiding Official, Hearing on Rule-making**

**Matter No. R 2013-25**

**Topic of Rule-making: Filing of financial statements and related filings electronically**

This memorandum summarizes the hearing on the above-named rule making, held on July 22, 2014 at the Insurance Commissioner's Tumwater office over which I presided in your stead.

The following agency personnel were present: Chase Davis

**In attendance and testifying:**

There were no attendees.

**Contents of the presentations made at hearing:**

None

**The hearing was adjourned.**

*SIGNED this 22nd day of July, 2014*

*James E. Tompkins  
Presiding Official*