
HOUSE BILL 1832

State of Washington

53rd Legislature

1993 Regular Session

By Representatives Dyer, R. Meyers, Mielke, Schmidt, R. Johnson, Zellinsky, Tate, Anderson, Reams, Dellwo, Foreman and Long

Read first time 02/10/93. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to midterm rate decreases for medical malpractice
2 insurance; and amending RCW 48.18.2901.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.18.2901 and 1988 c 249 s 3 are each amended to read
5 as follows:

6 (1) Each insurer shall be required to renew any contract of
7 insurance subject to RCW 48.18.290 unless one of the following
8 situations exists:

9 (a) The insurer gives the named insured at least forty-five days'
10 notice in writing as provided for in RCW 48.18.290, that it proposes to
11 refuse to renew the insurance contract upon its expiration date; and
12 sets forth therein the actual reason for refusing to renew; or

13 (b) At least twenty days prior to its expiration date, the insurer
14 has communicated, either directly or through its agent, its willingness
15 to renew in writing to the named insured and has included therein a
16 statement of the amount of the premium or portion thereof required to
17 be paid by the insured to renew the policy, and the insured fails to
18 discharge when due his or her obligation in connection with the payment
19 of such premium or portion thereof; or

1 (c) The insured has procured equivalent coverage prior to the
2 expiration of the policy period; or

3 (d) The contract is evidenced by a written binder containing a
4 clearly stated expiration date which has expired according to its
5 terms.

6 (2) Any insurer failing to include in the notice required by
7 subsection (1)(b) of this section the amount of any increased premium
8 resulting from a change of rates and an explanation of any change in
9 the contract provisions shall renew the policy if so required by that
10 subsection according to the rates and contract provisions applicable to
11 the expiring policy: PROVIDED, That renewal based on the rates and
12 contract provisions applicable to the expiring policy shall not prevent
13 the insurer from making changes in the rates and/or contract provisions
14 of the policy once during the term of its renewal after at least twenty
15 days' advance notice of such change has been given to the named
16 insured.

17 (3) Renewal of a policy shall not constitute a waiver or estoppel
18 with respect to grounds for cancellation which existed before the
19 effective date of such renewal, or with respect to cancellation of fire
20 policies under chapter 48.53 RCW.

21 (4) "Renewal" or "to renew" means the issuance and delivery by an
22 insurer of a contract of insurance replacing at the end of the contract
23 period a contract of insurance previously issued and delivered by the
24 same insurer, or the issuance and delivery of a certificate or notice
25 extending the term of a contract beyond its policy period or term:
26 PROVIDED, HOWEVER, That any contract of insurance with a policy period
27 or term of six months or less whether or not made continuous for
28 successive terms upon the payment of additional premiums shall for the
29 purpose of RCW 48.18.290 and 48.18.293 through 48.18.295 be considered
30 as if written for a policy period or term of six months: PROVIDED,
31 FURTHER, That any policy written for a term longer than one year or any
32 policy with no fixed expiration date, shall, for the purpose of RCW
33 48.18.290 and 48.18.293 through 48.18.295, be considered as if written
34 for successive policy periods or terms of one year.

35 (5) A midterm blanket reduction in rate, approved by the
36 commissioner, for medical malpractice insurance shall not be considered
37 a renewal for purposes of this section.

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