

1 **SSB 5750 - H COMM AMD ADOPTED 4-14-97**

2 By Committee on Financial Institutions & Insurance

3 Strike everything after the enacting clause and insert the
4 following:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter
6 48.18 RCW to read as follows:

7 (1) It is the intent of the legislature to assist the
8 purchasers of commercial property casualty insurance by allowing
9 policies to be issued more expeditiously and provide a more
10 competitive market for forms.

11 (2) Commercial property casualty policies may be issued prior
12 to filing the forms. All commercial property casualty forms shall
13 be filed with the commissioner within thirty days after an insurer
14 issues any policy using them.

15 (3) If, within thirty days after a commercial property
16 casualty form has been filed, the commissioner finds that the form
17 does not meet the requirements of this chapter, the commissioner
18 shall disapprove the form and give notice to the insurer or rating
19 organization that made the filing, specifying how the form fails to
20 meet the requirements and stating when, within a reasonable period
21 thereafter, the form shall be deemed no longer effective. The
22 commissioner may extend the time for review another fifteen days by
23 giving notice to the insurer prior to the expiration of the
24 original thirty-day period.

25 (4) Upon a final determination of a disapproval of a policy
26 form under subsection (3) of this section, the insurer shall amend
27 any previously issued disapproved form by endorsement to comply
28 with the commissioner's disapproval.

29 (5) For purposes of this section, commercial property
30 casualty- means insurance pertaining to a business, profession, or
31 occupation for the lines of property and casualty insurance defined
32 in RCW 48.11.040, 48.11.050, 48.11.060, or 48.11.070.

33 (6) Except as provided in subsection (4) of this section, the
34 disapproval shall not affect any contract made or issued prior to

1 the expiration of the period set forth in the notice of
2 disapproval.

3 (7) In the event a hearing is held on the actions of the
4 commissioner under subsection (3) of this section, the burden of
5 proof shall be on the commissioner.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.19
7 RCW to read as follows:

8 (1) It is the intent of the legislature to assist the
9 purchasers of commercial property casualty insurance by allowing
10 policies to be issued more expeditiously and provide a more
11 competitive market for rates.

12 (2) Notwithstanding the provisions of RCW 48.19.040(1),
13 commercial property casualty policies may be issued prior to filing
14 the rates. All commercial property casualty rates shall be filed
15 with the commissioner within thirty days after an insurer issues
16 any policy using them.

17 (3) If, within thirty days after a commercial property
18 casualty rate has been filed, the commissioner finds that the rate
19 does not meet the requirements of this chapter, the commissioner
20 shall disapprove the filing and give notice to the insurer or
21 rating organization that made the filing, specifying how the filing
22 fails to meet the requirements and stating when, within a
23 reasonable period thereafter, the filing shall be deemed no longer
24 effective. The commissioner may extend the time for review another
25 fifteen days by giving notice to the insurer prior to the
26 expiration of the original thirty-day period.

27 (4) Upon a final determination of a disapproval of a rate
28 filing under subsection (3) of this section, the insurer shall
29 issue an endorsement changing the rate to comply with the
30 commissioner's disapproval from the date the rate is no longer
31 effective.

32 (5) For purposes of this section, commercial property
33 casualty- means insurance pertaining to a business, profession, or
34 occupation for the lines of property and casualty insurance defined
35 in RCW 48.11.040, 48.11.050, 48.11.060, or 48.11.070.

36 (6) Except as provided in subsection (4) of this section, the
37 disapproval shall not affect any contract made or issued prior to

1 the expiration of the period set forth in the notice of
2 disapproval.

3 (7) In the event a hearing is held on the actions of the
4 commissioner under subsection (3) of this section, the burden of
5 proof shall be on the commissioner.

6 **Sec. 3.** RCW 48.18.100 and 1989 c 25 s 1 are each amended to
7 read as follows:

8 (1) No insurance policy form other than surety bond forms,
9 forms exempt under section 1 of this act, or application form where
10 written application is required and is to be attached to the
11 policy, or printed life or disability rider or endorsement form
12 shall be issued, delivered, or used unless it has been filed with
13 and approved by the commissioner. This section shall not apply to
14 policies, riders or endorsements of unique character designed for
15 and used with relation to insurance upon a particular subject.

16 (2) Every such filing containing a certification, in a form
17 approved by the commissioner, by either the chief executive officer
18 of the insurer or by an actuary who is a member of the American
19 academy of actuaries, attesting that the filing complies with Title
20 48 RCW and Title 284 of the Washington Administrative Code, may be
21 used by such insurer immediately after filing with the
22 commissioner. The commissioner may order an insurer to cease using
23 a certified form upon the grounds set forth in RCW 48.18.110. This
24 subsection shall not apply to certain types of policy forms
25 designated by the commissioner by rule.

26 (3) Except as provided in section 1 of this act, every filing
27 that does not contain a certification pursuant to subsection (2) of
28 this section shall be made not less than thirty days in advance of
29 any such issuance, delivery, or use. At the expiration of such
30 thirty days the form so filed shall be deemed approved unless prior
31 thereto it has been affirmatively approved or disapproved by order
32 of the commissioner. The commissioner may extend by not more than
33 an additional fifteen days the period within which he or she may so
34 affirmatively approve or disapprove any such form, by giving notice
35 of such extension before expiration of the initial thirty-day
36 period. At the expiration of any such period as so extended, and
37 in the absence of such prior affirmative approval or disapproval,

1 any such form shall be deemed approved. The commissioner may
2 withdraw any such approval at any time for cause. By approval of
3 any such form for immediate use, the commissioner may waive any
4 unexpired portion of such initial thirty-day waiting period.

5 (4) The commissioner's order disapproving any such form or
6 withdrawing a previous approval shall state the grounds therefor.

7 (5) No such form shall knowingly be so issued or delivered as
8 to which the commissioner's approval does not then exist.

9 (6) The commissioner may, by order, exempt from the
10 requirements of this section for so long as he or she deems proper,
11 any insurance document or form or type thereof as specified in such
12 order, to which in his or her opinion this section may not
13 practicably be applied, or the filing and approval of which are, in
14 his or her opinion, not desirable or necessary for the protection
15 of the public.

16 (7) Every member or subscriber to a rating organization shall
17 adhere to the form filings made on its behalf by the organization.
18 Deviations from such organization are permitted only when filed
19 with the commissioner in accordance with this chapter.

20 **Sec. 4.** RCW 48.19.060 and 1989 c 25 s 5 are each amended to
21 read as follows:

22 (1) The commissioner shall review a filing as soon as
23 reasonably possible after made, to determine whether it meets the
24 requirements of this chapter.

25 (2) Except as provided in RCW 48.19.070 and section 2 of this
26 act:

27 (a) No such filing shall become effective within thirty days
28 after the date of filing with the commissioner, which period may be
29 extended by the commissioner for an additional period not to exceed
30 fifteen days if he or she gives notice within such waiting period
31 to the insurer or rating organization which made the filing that he
32 or she needs such additional time for the consideration of the
33 filing. The commissioner may, upon application and for cause
34 shown, waive such waiting period or part thereof as to a filing
35 that he or she has not disapproved.

1 (b) A filing shall be deemed to meet the requirements of this
2 chapter unless disapproved by the commissioner within the waiting
3 period or any extension thereof.-

4 Correct the title accordingly.

EFFECT: Redefines commercial property casualty insurance, requires insurers to change previously issued forms or rates that have been disapproved by the commissioner, and makes technical changes and corrections.