
SUBSTITUTE SENATE BILL 5750

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Financial Institutions, Insurance & Housing
(originally sponsored by Senators Winsley, Prentice, Hale and Heavey)

Read first time 03/05/97.

1 AN ACT Relating to filing certain rates and contracts with the
2 insurance commissioner; amending RCW 48.18.100 and 48.19.060; adding a
3 new section to chapter 48.18 RCW; and adding a new section to chapter
4 48.19 RCW.

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

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

8 As used in section 2 of this act, "homeowners' policies" means
9 policies insuring any of the following contingencies:

10 (1) Loss of or damage to real property that is used predominantly
11 for residential purposes, and that consists of not more than four
12 dwelling units;

13 (2) Loss of or damage to personal property in which natural persons
14 resident in specifically described real property of the kind described
15 in subsection (1) of this section have an insurable interest, except
16 personal property used in the conduct of a commercial or industrial
17 enterprise; and

18 (3) Legal liability of a natural person or persons for loss of,
19 damage to, or injury to, persons or property, but not including

1 policies primarily insuring risks arising from the conduct of a
2 commercial or industrial enterprise.

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

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

9 (2) Commercial property casualty policies may be issued prior to
10 filing the rate or form. All commercial property casualty rates and
11 forms shall be filed with the commissioner within thirty days after
12 issuing any policy.

13 (3) If, within thirty days after a commercial property casualty
14 policy has been filed, the commissioner finds that the filing does not
15 meet the requirements of this chapter or chapter 48.18 RCW, the
16 commissioner shall disapprove the filing and give notice to the insurer
17 or rating organization that made the filing, specifying how the filing
18 fails to meet the requirements and stating when, within a reasonable
19 period thereafter, the filing shall be deemed no longer effective. The
20 commissioner may extend the time for review another fifteen days by
21 giving notice to the insurer prior to the expiration of the original
22 thirty-day period.

23 (4) Commercial property casualty policies include all property
24 casualty policies except private passenger auto, dwelling fire, and
25 homeowners' policies, as the term homeowners' policies is defined under
26 section 1 of this act.

27 (5) The disapproval shall not affect any contract made or issued
28 prior to the expiration of the period set forth in the notice of
29 disapproval.

30 (6) In the event a hearing is held on the actions of the
31 commissioner under subsection (3) of this section, the burden of proof
32 shall be on the commissioner.

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

35 (1) No insurance policy form other than surety bond forms, forms
36 exempt under section 2 of this act, or application form where written
37 application is required and is to be attached to the policy, or printed

1 life or disability rider or endorsement form shall be issued,
2 delivered, or used unless it has been filed with and approved by the
3 commissioner. This section shall not apply to policies, riders or
4 endorsements of unique character designed for and used with relation to
5 insurance upon a particular subject.

6 (2) Every such filing containing a certification, in a form
7 approved by the commissioner, by either the chief executive officer of
8 the insurer or by an actuary who is a member of the American academy of
9 actuaries, attesting that the filing complies with Title 48 RCW and
10 Title 284 of the Washington Administrative Code, may be used by such
11 insurer immediately after filing with the commissioner. The
12 commissioner may order an insurer to cease using a certified form upon
13 the grounds set forth in RCW 48.18.110. This subsection shall not
14 apply to certain types of policy forms designated by the commissioner
15 by rule.

16 (3) Every filing that does not contain a certification pursuant to
17 subsection (2) of this section shall be made not less than thirty days
18 in advance of any such issuance, delivery, or use. At the expiration
19 of such thirty days the form so filed shall be deemed approved unless
20 prior thereto it has been affirmatively approved or disapproved by
21 order of the commissioner. The commissioner may extend by not more
22 than an additional fifteen days the period within which he or she may
23 so affirmatively approve or disapprove any such form, by giving notice
24 of such extension before expiration of the initial thirty-day period.
25 At the expiration of any such period as so extended, and in the absence
26 of such prior affirmative approval or disapproval, any such form shall
27 be deemed approved. The commissioner may withdraw any such approval at
28 any time for cause. By approval of any such form for immediate use,
29 the commissioner may waive any unexpired portion of such initial
30 thirty-day waiting period.

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

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

35 (6) The commissioner may, by order, exempt from the requirements of
36 this section for so long as he or she deems proper, any insurance
37 document or form or type thereof as specified in such order, to which
38 in his or her opinion this section may not practicably be applied, or

1 the filing and approval of which are, in his or her opinion, not
2 desirable or necessary for the protection of the public.

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

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

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

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

13 (a) No such filing shall become effective within thirty days after
14 the date of filing with the commissioner, which period may be extended
15 by the commissioner for an additional period not to exceed fifteen days
16 if he or she gives notice within such waiting period to the insurer or
17 rating organization which made the filing that he or she needs such
18 additional time for the consideration of the filing. The commissioner
19 may, upon application and for cause shown, waive such waiting period or
20 part thereof as to a filing that he or she has not disapproved.

21 (b) A filing shall be deemed to meet the requirements of this
22 chapter unless disapproved by the commissioner within the waiting
23 period or any extension thereof.

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