
SENATE BILL 6526

State of Washington 57th Legislature

2002 Regular Session

By Senators Keiser and Winsley; by request of Insurance Commissioner

Read first time 01/21/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to renewing contracts of insurance that are subject
2 to RCW 48.18.290; 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 1993 c 186 s 1 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)) in that writing the actual reason for refusing
13 to renew; ((or))

14 (b) At least twenty days prior to its expiration date, the insurer
15 has communicated, either directly or through its agent, its willingness
16 to renew in writing to the named insured and has included ((therein))
17 in that writing a statement of the amount of the premium or portion
18 thereof required to be paid by the insured to renew the policy, and the

1 insured fails to discharge when due his or her obligation in connection
2 with the payment of such premium or portion thereof; (~~or~~)

3 (c) The insured has procured equivalent coverage prior to the
4 expiration of the policy period; (~~or~~)

5 (d) The contract is evidenced by a written binder containing a
6 clearly stated expiration date which has expired according to its
7 terms; or

8 (e) The contract clearly states that it is not renewable, and is
9 for a specific line, subclassification, or type of coverage that is not
10 offered on a renewable basis. This subsection (1)(e) does not restrict
11 the authority of the insurance commissioner under this code.

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

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

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

1 48.18.295, be considered as if written for successive policy periods or
2 terms of one year.

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

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