
SENATE BILL 5969

State of Washington

67th Legislature

2022 Regular Session

By Senators Mullet and Wagoner

Read first time 02/01/22. Referred to Committee on Business,
Financial Services & Trade.

1 AN ACT Relating to delaying the office of the insurance
2 commissioner from conducting rule making on the use of credit scores
3 in setting insurance premiums until a work group can address ways to
4 reduce insurance costs for Washington residents with below average
5 credit scores; creating new sections; providing expiration dates; and
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** The purpose of this act is to provide
9 insurance consumers the best possible outcome from the use of credit
10 history in the underwriting of their insurance and the determination
11 of their premium. By convening a work group to review the use of
12 credit history and its effect on insureds with low credit scores, the
13 legislature intends to offer insurers an option to continue to
14 predict risk effectively while limiting the negative outcomes a lower
15 credit score may have on an insured's premium.

16 NEW SECTION. **Sec. 2.** (1)(a) The office of financial management
17 shall appoint a mediator to convene a work group to examine the use
18 of credit history in insurance scores and develop viable policy
19 options for creating an insurance environment that is affordable and
20 equitable for everyone, including those with low credit scores. The

1 mediator shall promptly meet with the representatives of the work
2 group, either jointly or separately, and take such other steps as the
3 mediator deems appropriate in order to assist the parties in
4 developing a list of viable policy options to present to the
5 legislature. The mediator may not force an agreement between the
6 parties.

7 (b) The work group shall consist of the following:

8 (i) Five members representing the insurance industry, chosen by a
9 nonprofit, member-supported council representing property and
10 casualty insurers located in the Pacific Northwest; and

11 (ii) Five members representing consumer advocacy organizations
12 and insurance regulators, chosen by the office of the insurance
13 commissioner.

14 (c) Membership of the work group is limited to residents of the
15 state of Washington.

16 (2) The work group shall submit viable policy options to the
17 legislature, in compliance with RCW 43.01.036, by December 1, 2022.
18 At minimum, the work group shall consider the use of credit history
19 in insurance scores and methods to lower the cost of insurance for
20 individuals with low credit scores.

21 (3) To assist in the work group's deliberations, insurers shall
22 provide information relating to consumer experience with emergency
23 rules R2021-02 and R2021-19 adopted by the office of the insurance
24 commissioner. Information may be provided on an aggregate basis
25 through an insurance information organization and must be produced
26 within three months from the date of the request by the work group.

27 (4) To assist in the work group's deliberations, the office of
28 the insurance commissioner shall not adopt any rules that would
29 conflict with current law regarding the use of credit history in
30 insurance scores as established in section 3 of this act.

31 (5) This section expires June 30, 2023.

32 NEW SECTION. **Sec. 3.** (1) Rules adopted to implement RCW
33 48.18.480 and 48.19.020 shall comply with the provisions of RCW
34 48.19.035. To the extent the commissioner adopts rules in conflict
35 with RCW 48.19.035, RCW 48.19.035 controls.

36 (2) This section expires June 30, 2023.

37 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
38 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes
2 effect immediately.

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