

SSB 5798 - H COMM AMD

By Committee on Consumer Protection & Business

ADOPTED 03/01/2024

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 48.18.290 and 2006 c 8 s 212 are each amended to
4 read as follows:

5 (1) Cancellation by the insurer of any policy which by its terms
6 is cancellable at the option of the insurer, or of any binder based
7 on such policy which does not contain a clearly stated expiration
8 date, may be effected as to any interest only upon compliance with
9 the following:

10 (a) For all insurance policies other than medical malpractice
11 insurance policies or fire insurance policies canceled under RCW
12 48.53.040:

13 (i) The insurer must deliver or mail written notice of
14 cancellation to the named insured at least (~~forty-five~~) 60 days
15 before the effective date of the cancellation; and

16 (ii) The cancellation notice must include the insurer's actual
17 reason for canceling the policy.

18 (b) For medical malpractice insurance policies:

19 (i) The insurer must deliver or mail written notice of the
20 cancellation to the named insured at least (~~ninety~~) 90 days before
21 the effective date of the cancellation; and

22 (ii) The cancellation notice must include the insurer's actual
23 reason for canceling the policy and describe the significant risk
24 factors that led to the insurer's underwriting action, as defined
25 under RCW 48.18.547(1)(e).

26 (c) If an insurer cancels a policy described under (a) or (b) of
27 this subsection for nonpayment of premium, the insurer must deliver
28 or mail the cancellation notice to the named insured at least (~~ten~~)
29 10 days before the effective date of the cancellation.

30 (d) If an insurer cancels a fire insurance policy under RCW
31 48.53.040, the insurer must deliver or mail the cancellation notice

1 to the named insured at least five days before the effective date of
2 the cancellation.

3 (e) Like notice must also be so delivered or mailed to each
4 mortgagee, pledgee, or other person shown by the policy to have an
5 interest in any loss which may occur thereunder. For purposes of this
6 subsection (1)(e), "delivered" includes electronic transmittal,
7 facsimile, or personal delivery.

8 (2) The mailing of any such notice shall be effected by
9 depositing it in a sealed envelope, directed to the addressee at his
10 or her last address as known to the insurer or as shown by the
11 insurer's records, with proper prepaid postage affixed, in a letter
12 depository of the United States post office. The insurer shall retain
13 in its records any such item so mailed, together with its envelope,
14 which was returned by the post office upon failure to find, or
15 deliver the mailing to, the addressee.

16 (3) The affidavit of the individual making or supervising such a
17 mailing, shall constitute prima facie evidence of such facts of the
18 mailing as are therein affirmed.

19 (4) The portion of any premium paid to the insurer on account of
20 the policy, unearned because of the cancellation and in amount as
21 computed on the pro rata basis, must be actually paid to the insured
22 or other person entitled thereto as shown by the policy or by any
23 endorsement thereon, or be mailed to the insured or such person as
24 soon as possible, and no later than (~~forty-five~~) 45 days after the
25 date of notice of cancellation to the insured for homeowners',
26 dwelling fire, and private passenger auto. Any such payment may be
27 made by cash, or by check, bank draft, or money order.

28 (5) This section shall not apply to contracts of life or
29 disability insurance without provision for cancellation prior to the
30 date to which premiums have been paid, or to contracts of insurance
31 procured under the provisions of chapter 48.15 RCW.

32 **Sec. 2.** RCW 48.18.2901 and 2006 c 8 s 213 are each amended to
33 read as follows:

34 (1) Each insurer must renew any insurance policy subject to RCW
35 48.18.290 unless one of the following situations exists:

36 (a)(i) For all insurance policies subject to RCW 48.18.290(1)(a):

37 (A) The insurer must deliver or mail written notice of nonrenewal
38 to the named insured at least (~~forty-five~~) 60 days before the
39 expiration date of the policy; and

1 (B) The notice must include the insurer's actual reason for
2 refusing to renew the policy.

3 (ii) For medical malpractice insurance policies subject to RCW
4 48.18.290(1)(b):

5 (A) The insurer must deliver or mail written notice of the
6 nonrenewal to the named insured at least (~~ninety~~) 90 days before
7 the expiration date of the policy; and

8 (B) The notice must include the insurer's actual reason for
9 refusing to renew the policy and describe the significant risk
10 factors that led to the insurer's underwriting action, as defined
11 under RCW 48.18.547(1)(e);

12 (b) At least (~~twenty~~) 20 days prior to its expiration date, the
13 insurer has communicated, either directly or through its agent, its
14 willingness to renew in writing to the named insured and has included
15 in that writing a statement of the amount of the premium or portion
16 thereof required to be paid by the insured to renew the policy, and
17 the insured fails to discharge when due his or her obligation in
18 connection with the payment of such premium or portion thereof;

19 (c) The insured has procured equivalent coverage prior to the
20 expiration of the policy period;

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

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

28 (2) Any insurer failing to include in the notice required by
29 subsection (1)(b) of this section the amount of any increased premium
30 resulting from a change of rates and an explanation of any change in
31 the contract provisions shall renew the policy if so required by that
32 subsection according to the rates and contract provisions applicable
33 to the expiring policy. However, renewal based on the rates and
34 contract provisions applicable to the expiring policy shall not
35 prevent the insurer from making changes in the rates and/or contract
36 provisions of the policy once during the term of its renewal after at
37 least (~~twenty~~) 20 days' advance notice of such change has been
38 given to the named insured.

39 (3) Renewal of a policy shall not constitute a waiver or estoppel
40 with respect to grounds for cancellation which existed before the

1 effective date of such renewal, or with respect to cancellation of
2 fire policies under chapter 48.53 RCW.

3 (4) "Renewal" or "to renew" means the issuance and delivery by an
4 insurer of a contract of insurance replacing at the end of the
5 contract period a contract of insurance previously issued and
6 delivered by the same insurer, or the issuance and delivery of a
7 certificate or notice extending the term of a contract beyond its
8 policy period or term. However, (a) any contract of insurance with a
9 policy period or term of six months or less whether or not made
10 continuous for successive terms upon the payment of additional
11 premiums shall for the purpose of RCW 48.18.290 and 48.18.293 through
12 48.18.295 be considered as if written for a policy period or term of
13 six months; and (b) any policy written for a term longer than one
14 year or any policy with no fixed expiration date, shall, for the
15 purpose of RCW 48.18.290 and 48.18.293 through 48.18.295, be
16 considered as if written for successive policy periods or terms of
17 one year.

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

21 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act apply to all
22 affected policies issued or renewed on or after July 1, 2025.

23 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act take
24 effect July 1, 2025."

25 Correct the title.

EFFECT: Removes changes to insurers' notice requirements for
cancellation or nonrenewal of private passenger automobile insurance
policies and restores current law requiring 20 days' written notice
before canceling or not renewing a private passenger automobile
insurance policy.

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