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**SUBSTITUTE SENATE BILL 5798**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senate Business, Financial Services, Gaming & Trade (originally sponsored by Senators Kuderer, Shewmake, Hasegawa, and Wellman)

READ FIRST TIME 01/24/24.

1 AN ACT Relating to extending the required notice of cancellation  
2 or nonrenewal of certain types of insurance policies to 60 days;  
3 amending RCW 48.18.290, 48.18.2901, 48.18.291, and 48.18.292;  
4 creating a new section; and providing an effective date.

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

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

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

13 (a) For all insurance policies other than medical malpractice  
14 insurance policies or fire insurance policies canceled under RCW  
15 48.53.040:

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

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

21 (b) For medical malpractice insurance policies:

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

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

8 (c) If an insurer cancels a policy described under (a) or (b) of  
9 this subsection for nonpayment of premium, the insurer must deliver  
10 or mail the cancellation notice to the named insured at least (~~ten~~)  
11 10 days before the effective date of the cancellation.

12 (d) If an insurer cancels a fire insurance policy under RCW  
13 48.53.040, the insurer must deliver or mail the cancellation notice  
14 to the named insured at least five days before the effective date of  
15 the cancellation.

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

21 (2) The mailing of any such notice shall be effected by  
22 depositing it in a sealed envelope, directed to the addressee at his  
23 or her last address as known to the insurer or as shown by the  
24 insurer's records, with proper prepaid postage affixed, in a letter  
25 depository of the United States post office. The insurer shall retain  
26 in its records any such item so mailed, together with its envelope,  
27 which was returned by the post office upon failure to find, or  
28 deliver the mailing to, the addressee.

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

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

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

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

7 (1) Each insurer must renew any insurance policy subject to RCW  
8 48.18.290 unless one of the following situations exists:

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

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

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

15 (ii) For medical malpractice insurance policies subject to RCW  
16 48.18.290(1)(b):

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

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

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

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

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

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

1 (2) Any insurer failing to include in the notice required by  
2 subsection (1)(b) of this section the amount of any increased premium  
3 resulting from a change of rates and an explanation of any change in  
4 the contract provisions shall renew the policy if so required by that  
5 subsection according to the rates and contract provisions applicable  
6 to the expiring policy. However, renewal based on the rates and  
7 contract provisions applicable to the expiring policy shall not  
8 prevent the insurer from making changes in the rates and/or contract  
9 provisions of the policy once during the term of its renewal after at  
10 least (~~(twenty)~~) 20 days' advance notice of such change has been  
11 given to the named insured.

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

16 (4) "Renewal" or "to renew" means the issuance and delivery by an  
17 insurer of a contract of insurance replacing at the end of the  
18 contract period a contract of insurance previously issued and  
19 delivered by the same insurer, or the issuance and delivery of a  
20 certificate or notice extending the term of a contract beyond its  
21 policy period or term. However, (a) any contract of insurance with a  
22 policy period or term of six months or less whether or not made  
23 continuous for successive terms upon the payment of additional  
24 premiums shall for the purpose of RCW 48.18.290 and 48.18.293 through  
25 48.18.295 be considered as if written for a policy period or term of  
26 six months; and (b) any policy written for a term longer than one  
27 year or any policy with no fixed expiration date, shall, for the  
28 purpose of RCW 48.18.290 and 48.18.293 through 48.18.295, be  
29 considered as if written for successive policy periods or terms of  
30 one year.

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

34 **Sec. 3.** RCW 48.18.291 and 2003 c 248 s 5 are each amended to  
35 read as follows:

36 (1) A contract of insurance predicated wholly or in part upon the  
37 use of a private passenger automobile may not be terminated by  
38 cancellation by the insurer until at least (~~(twenty)~~) 30 days after  
39 mailing written notice of cancellation to the named insured at the

1 latest address filed with the insurer by or on behalf of the named  
2 insured, accompanied by the reason therefor. If cancellation is for  
3 nonpayment of premium, or is within the first (~~thirty~~) 30 days  
4 after the contract has been in effect, at least (~~ten~~) 10 days'  
5 notice of cancellation, accompanied by the reason therefor, shall be  
6 given. In case of a contract evidenced by a written binder which has  
7 been delivered to the insured, if the binder contains a clearly  
8 stated expiration date, no additional notice of cancellation or  
9 nonrenewal is required.

10 (2)(a) A notice of cancellation by the insurer as to a contract  
11 of insurance to which subsection (1) of this section applies is not  
12 valid if sent more than (~~sixty~~) 60 days after the contract has been  
13 in effect unless:

14 (i) The named insured fails to discharge when due any of his or  
15 her obligations in connection with the payment of premium for the  
16 policy or any installment thereof, whether payable directly to the  
17 insurer or to its agent or indirectly under any premium finance plan  
18 or extension of credit; or

19 (ii) The driver's license of the named insured, or of any other  
20 operator who customarily operates an automobile insured under the  
21 policy, has been suspended, revoked, or canceled during the policy  
22 period or, if the policy is a renewal, during its policy period or  
23 the (~~one hundred eighty~~) 180 days immediately preceding the  
24 effective date of the renewal policy.

25 (b) Modification by the insurer of automobile physical damage  
26 coverage by the inclusion of a deductible not exceeding (~~one hundred~~  
27 ~~dollars~~) \$100 is not a cancellation of the coverage or of the  
28 policy.

29 (3) The substance of subsections (1) and (2)(a) of this section  
30 must be set forth in each contract of insurance subject to the  
31 provisions of subsection (1) of this section, and may be in the form  
32 of an attached endorsement.

33 (4) A notice of cancellation of a policy that may be canceled  
34 only pursuant to subsection (2) of this section is not effective  
35 unless the reason therefor accompanies or is included in the notice  
36 of cancellation.

37 **Sec. 4.** RCW 48.18.292 and 2008 c 217 s 17 are each amended to  
38 read as follows:

1 (1) Each insurer shall be required to renew any contract of  
2 insurance subject to RCW 48.18.291 unless one of the following  
3 situations exists:

4 (a) The insurer gives the named insured at least (~~twenty~~) 30  
5 days' notice in writing as provided for in RCW 48.18.291(1), that it  
6 proposes to refuse to renew the insurance contract upon its  
7 expiration date; and sets forth therein the actual reason for  
8 refusing to renew; or

9 (b) At least (~~twenty~~) 30 days prior to its expiration date, the  
10 insurer has communicated its willingness to renew in writing to the  
11 named insured, and has included therein a statement of the amount of  
12 the premium or portion thereof required to be paid by the insured to  
13 renew the policy, including the amount by which the premium or  
14 deductibles have changed from the previous policy period, and the  
15 date by which such payment must be made, and the insured fails to  
16 discharge when due his or her obligation in connection with the  
17 payment of such premium or portion thereof; or

18 (c) The insured's insurance producer has procured other coverage  
19 acceptable to the insured prior to the expiration of the policy  
20 period.

21 (2) Renewal of a policy shall not constitute a waiver or estoppel  
22 with respect to grounds for cancellation which existed before the  
23 effective date of such renewal.

24 (3) "Renewal" or "to renew" means the issuance and delivery by an  
25 insurer of a contract of insurance replacing at the end of the  
26 contract period a contract of insurance previously issued and  
27 delivered by the same insurer, or the issuance and delivery of a  
28 certificate or notice extending the term of a contract beyond its  
29 policy period or term: PROVIDED, HOWEVER, That any contract of  
30 insurance with a policy period or term of six months or less whether  
31 or not made continuous for successive terms upon the payment of  
32 additional premiums shall for the purpose of RCW 48.18.291 through  
33 48.18.297 be considered as if written for a policy period or term of  
34 six months: PROVIDED, FURTHER, That any policy written for a term  
35 longer than one year or any policy with no fixed expiration date,  
36 shall, for the purpose of RCW 48.18.291 through 48.18.297, be  
37 considered as if written for successive policy periods or terms of  
38 one year.

1 (4) On and after January 1, 1980, no policy of insurance subject  
2 to RCW 48.18.291 shall be issued for a policy period or term of less  
3 than six months.

4 (5) No insurer shall refuse to renew the liability and/or  
5 collision coverage of an automobile insurance policy on the basis  
6 that an insured covered by the policy of the insurer has submitted  
7 one or more claims under the comprehensive, road service, or towing  
8 coverage of the policy. Nothing in this subsection shall prohibit the  
9 nonrenewal of comprehensive, road service, or towing coverage on the  
10 basis of one or more claims submitted by an insured.

11 NEW SECTION. **Sec. 5.** Sections 1 through 4 of this act apply to  
12 all affected policies issued or renewed on or after July 1, 2025.

13 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act take  
14 effect July 1, 2025.

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