

APPLICANT'S EXHIBIT **20**

Hearings Unit Case No. 16-0002

Office of the Insurance Commissioner

1 **B. Role Of The Insurance Commissioner**

2 The Insurance Code (Title 48 RCW), in combination with the Washington
3 Administrative Code (Title 284 WAC), provides the requirements for rate filings, including
4 rate filings affecting disability insurance premiums. See RCW 48.19.⁷ Washington law
5 defines disability insurance to include long-term care insurance. RCW 48.11.030. As a result,
6 most statutes and rules pertaining to long-term care insurance fall primarily under the statutes
7 and rules applicable to disability insurance. However, statutes and rules specific to long-term
8 care insurance supplement the general provisions for disability insurance. See RCW 48.83,
9 RCW 48.84, WAC 284-54, and WAC 284-83.

10 The Insurance Code specifies various considerations that must be taken into account in
11 the setting of rates, including past and prospective loss experience, hazards, profitability, and
12 expenses. See *id.* Washington's insurance statutes and rules also provide detailed guidelines
13 for determining whether a rate filing is justified, excessive, inadequate or discriminatory. See
14 RCW 48.19.030, WAC 284-24-065, and WAC 284-54-600. Moreover, the Code directs the
15 Insurance Commissioner to conduct a review of the rate filings and requires insurers to submit
16 extensive documentation in support of their rate filing, such as loss experience and other
17 pertinent information. See RCW 48.19.040. The Insurance Commissioner undertakes a review
18 of a rate filing as soon as reasonably possible. See RCW 48.19.060 and RCW 48.19.100. The
19 Insurance Commissioner can approve or disapprove a rate filing. See RCW 48.19.060,
20 RCW 48.19.100.

21 Because of concerns about long-term care insurance premium rate increases, its affect
22 on consumers, and the future problems for policyholders if there are not enough funds to cover
23 benefits, all rate filings with premium rate increases are submitted with evidence supporting
24 the filing. See RCW 48.19.030, RCW 48.19.040, WAC 284-54-630. All of these materials are

25 _____
26 ⁷ RCW 48.19.010(1) originally excluded disability insurance from this section; however
RCW 48.19.010(2) placed disability insurance within the purview of this regulatory section.