



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: June 18, 2025

TIME: 11:03 AM

WSR 25-13-115

Agency: Office of the Insurance Commissioner

Insurance Commissioner Matter R 2025-05

Subject of possible rule making: Clarifying and updating the minimum standards for claims handling.

Statutes authorizing the agency to adopt rules on this subject: RCW 48.02.060; RCW 48.30.010

Reasons why rules on this subject may be needed and what they might accomplish: While the state's total number of automobile and homeowners' insurance claims have remained consistent over the past six years, the Insurance Commissioner has received an increase in consumer complaints and Insurance Fair Conduct Act notices, which indicate a consumer's intent to sue their insurer. The spike in consumer complaints and lawsuits against insurers indicate potential insurance code violations.

The Commissioner held a claims process public meeting in 2023 where consumers shared dozens of comments and hours of testimony outlining their difficulties with insurance claims. The Commissioner also has received studies and reports from local and national observers of the claim environment detailing delays and inaccuracies from the insurance company that harm consumers. Furthermore, the Commissioner has received articles, reports and studies from insurance experts that the insurance industry is changing their claim process from an in-person, on-site, loss examination to the use of artificial intelligence and photo-based loss adjusting to maximize efficiencies.

The Commissioner is considering rulemaking relating to conduct that may be unfair or deceptive to clarify and update the minimum standards that first-party and third-party insurers must comply with during any claim investigation and adjustment. Claim process disputes can occur when the insurance company fails to fairly and fully investigate the loss, and at times forces the consumer to complete the insurance company's investigative duties. With a changing technological and workforce environment, rulemaking may update and clarify requirements to maintain a fair claim environment for consumers that will provide transparency into the decisions that affect their financial recovery.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe) Submit written comments by August 1, 2025.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

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(If necessary)

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Other:

Additional comments:

Date: June 18th, 2025

Name: Patty Kuderer

Title: Insurance Commissioner

Signature:

A handwritten signature in cursive script, appearing to read "Patty Kuderer", is written in black ink on a white background.