

Office of the Insurance Commissioner annual report

2024 insurance regulation overview
July 1, 2025

Patty Kuderer, *Insurance Commissioner*

www.insurance.wa.gov

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Insurance Commissioner's message



I'm excited to be serving the people of Washington state as your ninth insurance commissioner.

The role of my office is to provide balanced regulation over the insurance industry. My goal as an elected official is to protect Washington's consumers from unfair practices and financial harm.

Those two ideas go hand in hand; strong regulation IS consumer protection, and vice versa. That covers evaluating companies' rate filings, investigating companies that may be in violation of the law, modernizing our state insurance code and helping people with their insurance issues.

Beyond that, this office needs to be ready to address new challenges as they arise. Right now, two of the biggest issues we're facing are the cost and availability of home insurance in the face of increasing climate risks and the cost and efficiency of health insurance with a federal government seemingly intent on rolling back our protections.

On both fronts, I'm prepared to stand up and work towards what's best for the people of Washington — whether that calls for efficient regulation or exceptional customer service.

I want the OIC to be the first call for anyone with an insurance issue. If it's a disagreement over an auto claim, a repair delay on a storm-damaged home or a question about how to make sure you're enrolled in the right Medicare plan, the people of Washington can contact my office for help.

Sincerely,

A handwritten signature in blue ink that reads "Patty Kuderer". The signature is fluid and cursive, with the first name "Patty" being more prominent than the last name "Kuderer".

Patty Kuderer
Washington state Insurance Commissioner

About the Office of the Insurance Commissioner

The Washington state Office of the Insurance Commissioner (OIC) protects insurance consumers and oversees the insurance industry. We make sure insurance companies follow laws and rules and people get the coverage they've paid for. Each year, we answer questions and investigate problems for over 87,000 people and maintain a statewide network of volunteers who helped more than 30,000 consumers with their health-coverage issues.

In 2024, the insurance commissioner regulated 2,782 companies and 306,437 licensees who work in the insurance industry.



In fiscal year 2024, we collected \$966.3 million in premium taxes from insurance companies.

Of that amount:

- We sent \$622.1 million to the state general fund to support K-12 education, higher education, human services and general government operations.
- We sent \$37.4 million to the Washington Health Benefit Exchange account at the state treasury. The Exchange sells insurance plans to Washington consumers and to the state's Medicaid recipients.

We employ 286 people in Olympia, Tumwater, Spokane and Seattle. Our budget for 2023-2025 — called a biennium — is \$91.8 million.

Insurance plays an important role in our state's economy. The insurance industry in Washington generated more than \$71.9 billion in premiums in 2024.

The OIC is a member of the National Association of Insurance Commissioners (NAIC), which is the national standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally.

About Insurance Commissioner Patty Kuderer

Commissioner Patty Kuderer was elected in 2024 as Washington's ninth insurance commissioner.

She served for almost a decade in the Washington State Legislature, was appointed to the state House in 2015 and became the 48th Legislative District's first female state Senator in 2017. During her time in the legislature, she championed consumer and worker protections, common sense gun legislation, increasing access to affordable housing and worked to reform Washington's health care system.

Kuderer also has extensive legal experience as a trial attorney, including serving as a former prosecutor, city attorney and in private practice. She has handled public records, employment discrimination and serious injury cases, as well as argued before Minnesota Appellate and State Supreme Courts.

Kuderer grew up in Minnesota and is one of nine children. She earned a law degree from the William Mitchell College of Law and a bachelor's degree in history from the University of Minnesota. She has lived in King County's Eastside for over two decades, raising her two (now grown) children.

As insurance commissioner, Kuderer is committed to protecting consumers, promoting transparency and fairness in the insurance market, and advocating for expanded access to affordable health care.

OIC's MISSION

**WE PROTECT THE PUBLIC
INTEREST AND OUR STATE'S
ECONOMY THROUGH FAIR AND
EFFICIENT REGULATION OF THE
INSURANCE INDUSTRY.**

The OIC's work in 2024

Law changes

Modernizing the Insurer Holding Company Act

SB 6027 was agency request legislation to conform with accreditation standards developed by the National Association of Insurance Commissioners (NAIC). These updates are NAIC accreditation standards that will preserve state authority and avoid international impacts by aligning Washington state's insurer holding company system provisions with requirements of the Covered Agreements between the U.S., the E.U., and the U.K. regarding insurance and reinsurance. Revisions focus on implementing a Group Capital Calculation for the purpose of group solvency supervision and Liquidity Stress Test for macroprudential surveillance.

Extending the notice of cancellation or nonrenewal of insurance policies.

Sponsored by then Senator Kuderer, SSB 5798 gave consumers more time when the insurer initiates a cancellation or nonrenewal of a policy. The insurer must deliver written notice of nonrenewal or cancellation to the named insured at least 60 days (from 45 days) before the expiration date of a residential dwelling or commercial policy. Effective July 1, 2025, notices for private passenger auto remain unchanged at 20 days.

Confidentiality of insurance company data

Another bill sponsored by then Senator Kuderer, SSB 5806 allows the OIC to collect data from insurance companies for market analysis. Data requested by the commissioner from property and casualty entities regulated by the commissioner for the purpose of understanding and studying insurance market conditions outside the context of market conduct action is confidential by law and privileged and is not subject to public disclosure.

Preventive Health Services

[ESHB 1957](#) strengthened Washington state law ensuring access to preventive health services without cost sharing for people enrolled in fully insured health plans. OIC is given rulemaking authority to respond to any future preventive services recommendations or guidelines from the U.S. Preventive Services Task Force, the Advisory Committee on Immunization Practices, and the U.S. Health Resources and Services Administration or related rules or guidance.

Health care benefit managers and pharmacy benefit managers

[E2SSB 5213](#) strengthened regulation of health care benefit managers (HCBM) and pharmacy benefit managers (PBM). It directs the OIC to respond to and investigate complaints related to the conduct of an HCBM directly, without requiring the complaint to be pursued exclusively through a contracting health carrier. Several PBM business practices, such as spread pricing and automatically enrolling consumers in mail-order pharmacy without their consent, are prohibited starting Jan. 1, 2026. Self-funded group health plans may elect to participate in state laws relating to PBMs starting Jan. 1, 2026.

Ground ambulance balance billing protections

[SSB 5986](#) extends consumers' balance billing protections to covered ground ambulance transports to hospitals and behavioral health emergency services. The new protections take effect in plan year 2025. The out-of-network ground ambulance provider payment rate is either the rate set by a local jurisdiction rate, or the lesser of 325% of what Medicare would pay or the provider's billed charges. This payment rate sunsets Dec 31, 2027. Local jurisdictions must report their rates to OIC, who will publish them online. This bill authorizes three reports:

1. OIC report due Oct. 1, 2026, or Oct. 1 after new CMS rates are published, to review the reasonableness of ambulance rates.
2. A report on the cost of covering "treatment but no transport" services, due Oct. 1, 2025.
3. A report by Washington State Institute for Public Policy, to study whether ambulance services should be treated as essential health services provided by governmental agencies, due June 1, 2026.

Treatment of substance use disorders

[2SSB 6228](#) expands access to substance-use disorder (SUD) treatment for the Medicaid program, PEBB/SEBB plans and commercial health plans. For health plans issued or renewed on or after Jan. 1, 2025, a health carrier must set the minimum initial authorization period for inpatient or residential SUD treatment to 14 days, with subsequent authorizations for at least 7 days. The law requires the Health Care Authority (HCA), in collaboration with the OIC, to develop standardized clinical documentation requirements for initial authorization and concurrent utilization review for residential SUD treatment which must be put into use by July 1, 2025.

Other noteworthy accomplishments

Ground ambulance balance billing report

At the direction of the legislature, the OIC established an advisory committee to develop recommendations to the legislature related to ground ambulance balance billing protections. The [report](#) was submitted to the legislature in October 2023. Its recommendations were incorporated into SSB 5986, which was enacted during the 2024 legislative session.

Preliminary Affordability Report

In December 2023, at the direction of the legislature, OIC published its [preliminary affordability report](#). The report explores recent market consolidation and changes that could improve health care affordability. It includes details on:

- The structure of Washington state's current health care system, including information about vertical and horizontal consolidation of health insurers, hospitals and health care providers.
- Private equity investment trends in Washington state.
- An overview of potential policy options to improve health care affordability, some of which have already been adopted in Washington state.

The Office of the Attorney General submitted a companion [report](#) to the legislature focused on antitrust enforcement and noncompetitive contract clauses.

Consumer protection

Our Consumer Protection division helps Washington state consumers understand insurance and answer questions about all types of products, including annuities, auto, business, health, home, life and more.

We help Washington state consumers understand their insurance rights, including how to file a health insurance appeal, submit a complaint against an insurance company, and verify if an agent, agency, or company is authorized to sell insurance in Washington state.

In 2024, our consumer advocates:

- Processed 10,127 consumer complaints, resulting in recovery of over \$27.4 million related to insurance billings, refunds and various claim-handling issues.
- Answered 98,704 calls to our consumer hotline regarding insurance issues, rights and responsibilities.
- Conducted 5,312 live chat sessions.
- Responded to 9,443 written consumer inquiries.
- Distributed 5,997 copies of insurance-related publications to consumers.
- Helped consumers resolve policy issues, including claims, billing and underwriting problems.
- Provided thousands of referrals to other places that can provide help, including the Washington Health Benefit Exchange.

Consumers can contact our consumer advocates at 800-562-6900 or at www.insurance.wa.gov.

Statewide Health Insurance Benefits Advisors (SHIBA)

SHIBA provides free, unbiased and confidential assistance with Medicare and health care choices through a network of 16 sponsor agencies and hundreds of volunteers who counsel Washington consumers via one-on-one appointments and at outreach events.

SHIBA receives federal funding from the U.S. Department of Health and Human Services Administration for Community Living.

In 2024, SHIBA continued to serve people on Medicare with a mix of virtual methods of and face-to-face interactions.

- More than 200 volunteers donated their time to train and help consumers with Medicare.
- SHIBA educated more than 54,000 people and assisted more than 30,000 people with one-on-one counseling.
- SHIBA held more than 1,600 outreach events across the state.

Reviewing insurance rates and forms

Insurance companies submit their insurance policy forms and proposed rates to the insurance commissioner for approval. Our Rates, Forms and Provider Network division reviews them to determine if they meet state law requirements. In 2024, we reviewed more than 5,624 form filings, which include policies, amendments and endorsements.

Health insurers submit rates each year for the following calendar year for individual and small-group plans. They submit rates for large-group plans anytime they want to change them.

Property and casualty insurers submit rate/rule filings anytime they want to change them. Rates must be sufficient to cover claims and expenses but must not overcharge consumers or result in unfair discrimination. During 2024 we received 1,673 filings and completed reviews of 1,702 filings.

Health insurance

In 2024, 14 insurers sold health insurance inside the Washington state Health Benefit Exchange (Exchange), outside the Exchange, or both inside and outside the Exchange on the individual market. The insurance commissioner approved an average rate increase of 8.94% for those plans.

Network access, provider contracting, and health care benefit manager contracting

Insurance companies submit their provider contracts to the OIC for approval and file health care benefit manager contracts, and network access reports. Network access reports demonstrate a company's ability to provide access to medically necessary services guaranteed in the insurance plan, at in-network cost sharing, without billing an enrollee for extra charges.

Our Rates, Forms and Provider Networks division reviews these network documents to determine if they meet requirements in state law. In 2024, insurance companies submitted 7,100 provider contracts for approval, 1,300 health care benefit manager contracts for review, and 2,300 network access reports.

Property and casualty insurance

Property and casualty insurance covers things like your house and the contents of your house or rental residence; vehicles, including cars, motorcycles, and boats; business property or liability; and even pets.

The top five insurance companies that sell homeowner's insurance in Washington state are:

1. **State Farm Fire and Casualty Co.:** 17.5% of the market; last approved average rate change was a 3.9% decrease in July 2022.
2. **SAFECO Insurance Co. of America:** 11.0% of the market; last approved average rate increase was 9.8% in November 2023.

REGULATING HEALTH INSURERS

The Insurance Commissioner doesn't regulate self-insured health plans, offered by employers including Microsoft, Boeing and some plans in Washington state government.

Self-insured plans are regulated by the U.S. Department of Labor.

3. **PEMCO Mutual Insurance Co.:** 5.8% of the market; last approved average rate increase was 15.4% in September 2023.
4. **Allstate Vehicle and Property Insurance Co.:** 3.9% of the market; last approved average rate increase was 29.9% in March 2023
5. **United Services and Property Insurance Company:** 3.9% of the market; last approved average rate increase was 29.9% in August 2023.

The top five insurance companies that sell auto insurance in Washington state are:

1. **State Farm Mutual Automobile Insurance Co.:** 15.0% of the market; last approved average rate increase was 17.8% in May 2023.
2. **Progressive Direct Insurance Co.:** 8.8% of the market; last approved average rate increase was 10.0% in August 2023
3. **Allstate Fire and Casualty Insurance Co.:** 6.7% of the market; last approved average rate increase was 20% in June 2023.
4. **First National Insurance Co. of America:** 6.6% of the market; last approved average rate increase was 5.9% in December 2023.
5. **GEICO Advantage Insurance Co.:** 5.2% of the market; last approved average rate increase was 31.6% in October 2023.

Overseeing insurance companies

Our Company Supervision division oversees all companies that conduct insurance business in Washington state. The division oversees companies' licensing and monitors insurance companies for financial health, ability to pay claims and their market conduct. You can [look up insurance companies](#) that are authorized to do business in Washington state.

Company licensing

In 2024, we regulated 2,782 insurance and risk, and non-risk bearing entities, registered as:

- 231 domestic companies
- 2,491 foreign companies
- 60 alien companies

The registered companies are:

- 1,401 insurers, health carriers and fraternal benefit societies.
- 745 other risk-bearing entities such as eligible captives, charitable gift annuity issuers, discount health plans, life settlement providers, risk retention groups and service contract providers.
- 503 registered entities doing business with risk-bearing entities, such as advisory and rating organizations, independent review organizations, health care benefit managers, reinsurance intermediaries, risk-purchasing groups and organizations administering state and national programs.

- 55 accredited, certified, reciprocal jurisdiction and single-trusted alien insurers.

We also track and report activity of 78 direct-practice providers to the state legislature.

Each year, we post information from the NAIC that includes:

- A list of domestic insurers and their market share.
- A summary of Washington premiums and loss ratios.
- A summary of each line of business for all authorized companies to provide direct premiums written, market share and loss ratios.
- Top 40 authorized companies and top 10 groups with direct written premiums, market share, loss ratios and enrollment.

You can find our annual [market information reports](#) on our website.

New admissions

In 2024, we admitted 54 companies as new insurers in Washington state.

Revoked or suspended companies

Regulated companies must have a certificate of registration, certificate of exemption, license, or certificate of authority to legally conduct business in Washington state. In 2024, we revoked or suspended certificates of registration, certificates of exemption, licenses, or certificates of authority for these companies:

Revoked

- Arrowood Indemnity Company
- Bright Health Insurance Company
- E. E. Hall Auto Dealer Umbrella Pg, Inc.
- Educational Institutions Pg Inc
- Petroleum Marketers Pg Inc
- Time Insurance Company

Suspended

- Bankers Life Insurance Company
- California Casualty & Fire Insurance Company
- Colorado Bankers Life Insurance Company
- Crusader Insurance Company
- Daybreak Youth Services
- Gateway Insurance Company
- Go Insurance Company
- MutualAid Exchange
- PHL Variable Insurance Company
- Rampart Insurance Company
- Rose-Hulman Institute of Technology Inc

Companies in receivership

Although rare, if an insurance company becomes financially unstable, we step in to make sure it stops selling new policies and run the company until its financial condition is stable. There were no companies placed into receivership in 2024.

Accreditation

In August 2020, the NAIC Financial Regulation Standards and Accreditation Committee voted to accredit the OIC's Company Supervision division. Accredited insurance departments undergo comprehensive, independent review every five years to ensure they meet financial solvency oversight standards.

The purpose of the accreditation program is for state insurance departments to meet baseline standards of solvency regulation, particularly with respect to regulation of multi-state insurers. NAIC accreditation allows non-domestic states to rely on the accredited domestic regulator to fulfill a baseline level of effective financial regulatory oversight. This creates substantial efficiencies for insurance regulators, who are then able to coordinate and rely on each other's work.

The next accreditation review will occur during 2025 in which a team will visit the OIC to review our work, provide commentary, and determine our ability to maintain the NAIC financial accreditation standards.

Financial examinations

We also conduct financial examinations of insurance companies and other companies that are incorporated in Washington state. In 2024, our financial examiners completed 16 full-scope examinations of the following companies:

Health insurance companies

- Coordinated Care of Washington Inc.
- Devoted Health Insurance Company of Washington
- Kaiser Foundation Health Plan of Washington
- Kaiser Foundation Health Plan of Washington Option Inc.
- Lifewise Assurance Company
- Lifewise Health Plan of Washington
- Wellpoint Washington Inc.
- Premera Blue Cross
- Premera Blue Cross HMO
- Washington State Health Insurance Pool
- Wellcare Health Insurance Company of Washington Inc.
- Wellcare of Wahington Inc.

Property and Casualty insurance companies

- Farmers Insurance Company of Washington
- Grange Insurance Association
- Granwest Property & Casualty
- Pemco Mutual Insurance Company

We also performed financial examinations of the following entities that are not insurance companies but are required by Washington state law to be examined:

- 16 charitable gift annuities issuers

Market Conduct Oversight

Our Market Conduct Oversight department protects Washington state consumers by holding insurers accountable to state laws and regulations. The division is broken into two teams: Market Analysis and Market Conduct Examination.

Market Analysis monitors trends and industry data to identify patterns that help prioritize oversight activities and guide regulatory response.

Market Conduct initiates reviews when specific issues require further investigation which may include working directly with the insurer and other entities. This work promotes accountability and protects the interests of Washington consumers.

Licensing insurance professionals

We regulate people who do business in the insurance industry in Washington state. There are several types of licensed insurance professionals, both individual and business entities (agencies). These include producers (also known as agents and brokers), adjusters, and surplus lines brokers. All licensees are classified as “resident” (they live in Washington state) or “nonresident” (they live outside of Washington state).

From January through December 2024, the number of active licenses in Washington state were:

- 275,488 producers
- 26,199 adjusters
- 4,750 surplus line brokers

Insurance licensees (producers, adjusters, surplus lines brokers)

On an annual basis, September and October result in the highest level of licensing activity, which coincides with Medicare Open Enrollment and the sale of Medicare Supplement products. This seasonal increase in transactions places a great deal of pressure on the Producer Licensing & Oversight staff in meeting our processing goals. Delays in processing result in delays for individuals and business entities obtaining licensing to legally operate in Washington state.

2024 Producer Licensing and Oversight statistics

Licensing statistics

- Processed 60,220 licensing transactions
- Handled 27,830 inbound phone calls
- Received 16,527 emails

Compliance statistics

- Reviewed 3,444 applications
- Reviewed 11,518 background checks
- Contacted 1,232 agencies with no affiliation
- Reviewed 3,214 reported administrative actions
- Identified 2,866 non-resident licensee's that didn't a resident license
- Reviewed 1,198 Continuing Education courses
- Handled 650 inbound phone calls
- Received 827 emails
- Contacted 831 agencies without a designated responsible licensed person
- Made 246 legal referrals

Financial exams statistics

- Completed 35 financial exams

Enforcing insurance laws and rules

Our Legal Affairs division is responsible for interpreting and enforcing insurance laws and rules, encouraging compliance through clear and consistent interpretation of the law, and monitoring enforcement of agency actions. The division assists with the state's legislative agenda, provides prompt and meaningful responses to public, industry and government inquiries, participates in agency policy development and creates procedures to support the organization's framework.

In 2024, our Legal Affairs division issued 141 orders against insurance producers, insurance companies, other regulated entities, and unauthorized entities. Through these enforcement actions, Legal Affairs revoked 29 licenses and imposed approximately \$1.9 million in fines. The fines we collect are sent to the state's general fund.

The division's Regulatory Investigations Unit (RIU) conducts administrative investigations of insurance producers, insurance companies, and unlicensed and unauthorized companies that violate insurance laws and rules.

Typical cases include:

- Illegal inducement and rebating
- Title insurance error
- Demonstrating incompetence or negligence
- Dishonesty or untrustworthiness
- Unlicensed producers
- Fraud
- Unauthorized companies

If RIU obtains evidence to suggest an insurance producer's actions violate criminal law, the unit completes its investigation related to a potential enforcement action involving the producer's license and refers the matter to law enforcement.

In 2024, RIU closed 80 investigations of alleged insurance code violations. Of the 80 closed investigations, 55 investigations substantiated violations of the insurance code and were referred for possible enforcement action. The remaining 25 investigations concluded that the allegations were unsubstantiated.

Investigating insurance fraud

Our Criminal Investigations Unit (CIU) investigates and brings to prosecution criminal fraud schemes that impact the insurance industry and insurance consumers.

An advisory board of representatives from the insurance industry, consumers, the National Insurance Crime Bureau, county prosecutors and law enforcement provides advice and direction to the commissioner to combat fraud.

In 2024, CIU:

- Received 3,653 fraud referrals from many sources, including insurance companies, law enforcement agencies, the National Insurance Crime Bureau (NICB), other government agencies and the public.
- Opened 53 criminal cases.
- Submitted 18 criminal cases to a prosecutor.

Other divisions

We have employees who support the agency's mission and work in other ways too, including:

- **Policy and Legislative Affairs** writes and implements rules, advises the commissioner and executive team on policy issues, conducts studies for the legislature, and works with the legislature on bills and laws. In 2024, policy staff analyzed 238 bills, 99 fiscal notes and initiated rulemaking on eight topics. Find information about our [legislation and rulemaking](#) and [legislative and commissioner reports](#).
- **Operations** is responsible for managing day-to-day operations of the OIC, providing resources and services in support of OIC's mission. Operations keeps many IT systems running, ensures all OIC buildings are working, helps plan for emergencies and serves as a liaison to the state Emergency Management Division. Operations manages all financial and budget matters and recruits and hires qualified staff. Operations manages the Information Governance Unit; managing public disclosure requests, disposal, and disclosure of both the Public Records Act and records management law. Operations manages the Hearings Unit that processes all adjudicative hearings for the OIC.

- **Public Affairs** works with the media and manages the agency’s website and social media channels. In 2024, the OIC communicated with more than 521,000 consumers, media and insurance industry professionals through our subscription news service; reached more than 9,100 people on social media, including more than 2.5 million views on the Nextdoor app; and had over a million visitors [to our website](#).

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