

**John Mangan, Vice President & Deputy, State Relations**

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August 8, 2025

**To:** OIC Rules Coordinator

**Subject:** R 2505-05 Clarifying and updating the minimum standards for claims handling  
Pre-proposal Draft Dated July 24, 2025

Dear Rules Coordinator:

Thank you for the opportunity to comment upon your Pre-proposal Draft updating WAC 284-30-300 to clarify and update minimum standards for claims handling. ACLI member companies offer life, disability income, long term care, dental and supplemental insurance products that appear to fall with the scope of the draft revised regulation. Our industry is proud of its track record for prompt and fair claims handling, which has earned the trust of our customers

Here is a brief summary of our comments on several sections of the pre-proposal draft:

- WAC 284-30-300: In this opening section, we respectfully oppose the deletion of the phrase “with such frequency as to indicate a general business practice.” We are concerned that the deletion of this language will elevate a single inadvertent mistake to the same level as a wide-ranging practice or pattern of claims handling violations. We do not think this approach is fair or warranted.
- WAC 284-30-330(5): In this section defining specific unfair claims settlement practices, we respectfully oppose the deletion of language referring to “fully completed proof of loss documentation” and tying the unfair claims practice definition instead to “receiving notification of claim.” In many cases, the receipt of notification of a pending claim does not contain enough detail for the company to begin a claims evaluation. Proof of loss is essential in determining the validity and the amount of a life insurance or disability income complaint, for instance. We do not believe it is fair or practical for claims to be approved or denied before a completed documentation of the claim is submitted.
- WAC 284-30-330(11): In this section defining specific unfair claims settlement practices, we respectfully oppose the enlarging of the provision as applied to disability income and long-term care claims because an insured’s ongoing healthcare status and treatment are foundational for qualifying for benefits under such coverages. This provision will place a greater burden on insurers to justify why additional medical records or other information is

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The American Council of Life Insurers (ACLI) is the leading trade association driving public policy and advocacy on behalf of the life insurance industry. 90 million American families rely on the life insurance industry for financial protection and retirement security. ACLI’s member companies are dedicated to protecting consumers’ financial wellbeing through life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, and dental, vision and other supplemental benefits. ACLI’s 280 member companies represent 94 percent of industry assets in the United States.

necessary in order to continue to qualify for benefits under coverage which is determined on a month-to-month basis.

- WAC 284-30-340(2): In this section of file and record documentation, we respectfully oppose the proposed changes because there are many concerns about the breadth and scope of this section as well as the need to protect the privacy of information, such as that collected from third parties, medical records, and other personally identifying information. We also respectfully request extending the timeframe for production, if required, from 15 to 30 business days. Otherwise, this provision will vary widely from most state unfair claims settlement practices law and unnecessarily increase insurer and consumer costs.
- WAC 284-30-340(2): In this section of misrepresentation of policy provisions, we respectfully oppose such change because it establishes the possibility that one single human error – as opposed to a pattern of repeated conduct – can become the basis for a violation that exposes an insurer to a claim under the Insurance Fair Conduct Act.
- WAC 284-30-360: In this section on acknowledgement of communications, we respectfully oppose all the deadline changes, for the following reasons:
  - We do not understand why individual and group products should have different deadlines for acknowledgment. ((1) & (3))
  - It is already common practice in our industry business practice to acknowledge claims well within five days. However, extenuating circumstances can arise, and this proposed change will subject insurers to a low threshold for claims under the Insurance Fair Conduct Act.
  - It is already common to seek extensions to respond to complaints as it takes time to investigate allegations and gather proper documentation via coordination across the company. This revised provision would result in more extension requests and back-and-forth between companies and regulators, prolonging the process. We respectfully request that the deadline remain at 15 working days in order to permit sufficient time to conduct a review and prepare an adequate response to the commissioner. (2)
  - Just as with complaints, other pertinent communications may also involve escalation or detailed review requiring more than five business days. In the event an insurer must act hastily to file a timely response, that response communication, if not appropriate to the inquiry, risks violating other provisions, such as WAC 284-30-330 or WAC 284-30-350. (3)
- WAC 284-30-380: Echoing our comments on WAC 284-30-330(5), we respectfully oppose the deletion of language referring to “proof of loss” and tying the unfair claims settlement standard instead to “receiving notification of claim.” In many cases, the receipt of notification of a pending claim does not contain enough detail for the company to begin a claims evaluation. Proof of loss is essential in determining the validity and the amount of a life insurance or disability income complaint, for instance. We do not believe it is fair or practical for claims to be approved or denied before a completed documentation of the claim is submitted.

Thank you for considering these comments. We would appreciate the ability to participate as an interested party in your future deliberations on this draft and the rulemaking process. Please call on us if you would like to more information from our ACLI team and our member companies.

Sincerely,

*John W. Mangan*

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cc: Christine Brewer & Kris Tefft, Brewer Public Affairs