

OIC Rules Coordinator

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To: OIC Rules Coordinator
Subject: R2025-05 First Prepublication draft comment

External Email

Hello Office of the Insurance Commissioner:

Please consider the following Comment in support of the R2025-05 draft changes to the WAC insurance regulations.

I am an attorney who specializes in representing homeowners in disputes with their insurance companies after they have suffered damage to their home. Most of my clients have suffered a damage from a house fire, storm, or a major water leak in their home. The proposed WAC changes will benefit my clients and reduce the likelihood of problems occurring during the insurance process. One of the most most common problem I see during the insurance process is a lack of clear and prompt communication from the insurer. Another common problem I see is insurers refusing to pay for the estimated cost of mitigation work and repairs without properly investigating the basis for those costs. My clients are often vulnerable because they are dependent on their insurer to pay for the cost of renting temporary housing while they await the repairs.

The proposed changes include numerous improvements to the existing WAC regulations. For example:

- Improves definitions that clarify the scope of the insurer's investigation. These clarifications will ensure that insurers conduct a full investigation, including valuing the claim so that it can be paid.
- Improves language concerning the requirement that the insurer conduct a prompt and reasonable investigation.
- Improves language concerning the notifications and communications from insurers. Among other things, this includes requiring insurers to respond to important communications within 5 business days. The current rule allows insurers to wait 10 business days before responding. This can be highly problematic when an insured sends an urgent email or voicemail. Insured's often need payment for temporary housing, approval for mold mitigation, or approval to get repairs started. These issues cannot wait 10 business days.

- Updates of the "proof of loss" terminology which is no longer commonly used in insurance claims. The proposed updating of this terminology will make multiple regulations effective again.
- Makes the WAC regulations consistent with existing Washington law concerning Consumer Protection ACT violations. For decades, the Washington Supreme Court has repeatedly held that a violation of the WAC insurance regulations constitutes an unfair practice under the CPA. "The general rule is that violations of insurance regulations are subject to the Consumer Protection Act." Leingang v. Pierce Cnty. Med. Bureau, Inc., 131 Wash. 2d 133, 152, 930 P.2d 288, 298 (1997). "A single violation of WAC 284-30-330 constitutes a violation of RCW 48.30.010. Under RCW 19.86.170, a violation of RCW 48.30.010 is a per se unfair trade practice and satisfies the first element of the 5-part test for bringing a CPA action under RCW 19.86.090." Indus. Indem. Co. of the Nw. v. Kallevig, 114 Wash. 2d 907, 922-25, 792 P.2d 520, 529-30 (1990). This modification will help educate insurance adjusters and prevent unnecessary disputes over well-settled Washington law.
- Allows insureds to have access to their claim files. This will help resolve disputes when it is unclear what information the insurer is using as the basis to deny a claim or reject an estimate of repairs. It is a common problem that adjusters will refuse to share important documents with insureds.
- Prohibits insurers from submitting false information to reporting agencies. This will solve a common problem I have seen: People are unable to obtain insurance because a prior insurer falsely reported a single loss as being two, three, or more claims.
- Adds regulations intended to facilitate prompt approval of emergency repair estimates and invoices. Emergency repairs, also known as mitigation, is necessary to prevent mold growth and other problems caused by water damage. It's always a potential problem after firefighters use water to extinguish a fire.
- Prevents insurers from unfairly influencing appraisals.
- Adds regulations to improve communication during automobile insurance claims.

Thank you,
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