

## OIC Rules Coordinator

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**From:** Michael Kessler <michael@biom.net>  
**Sent:** Thursday, August 7, 2025 9:55 PM  
**To:** OIC Rules Coordinator; OIC Rules Coordinator  
**Cc:** Kitty Bradshaw  
**Subject:** Re: Clarifying and updating the minimum standards for claims handling (R 2025-05)  
**Attachments:** Claims\_Rulemaking\_Comment\_Auto.pdf; Claims\_Rulemaking\_Comment\_Homeowner-Business.pdf

External Email

**Subject: Public Comment Submission – Clarifying and Updating the Minimum Standards for Claims Handling (R 2025-05)**

Dear Rules Coordinator,

Please find attached two public comments for consideration in the Clarifying and Updating the Minimum Standards for Claims Handling (R 2025-05) rulemaking:

1. Comment #1 – Policyholder Advocate Statement (Third-Party Claim)

Describes a case I'm currently assisting with involving a hit-and-run victim whose rights were disregarded by both the at-fault driver's insurer and her own insurer. This comment highlights systemic weaknesses in claims handling that allow unauthorized, substandard repairs and leave consumers without effective recourse.

2. Comment #2 – Policyholders Michael Kessler & Catherine Bradshaw (First-Party Claim)

Describes our own experience as policyholders forced to litigate in federal court against State Farm and Hartford after the OIC failed to act on a valid complaint. This comment details repeated bad faith tactics, regulatory inaction, and the financial/emotional harm caused by prolonged non-payment under a replacement value policy.

Both comments underscore the urgent need for stronger, enforceable standards that:

- Require insurers to proactively disclose policyholder rights and valuation standards.
- Prohibit delay tactics disguised as "investigation" when a loss is confirmed.
- Establish insurer accountability for unauthorized repairs and lowball settlements.
- Impose meaningful penalties on insurers — and accountability for the OIC — when consumer protections are ignored.

We appreciate your work in updating these vital rules and request that both comments be included in the official record for R 2025-05.

Attachments:

- Claims\_Rulemaking\_Comment\_Auto
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- Claims\_Rulemaking\_Comment\_Homeowner-Business

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We respectfully request the courtesy of your response confirming that our comments have been received and timely registered by the Office of the Insurance Commissioner for inclusion in the public record for this rulemaking.

Respectfully,  
Michael Kessler  
Policyholder Advocate  
Bainbridge Island, WA  
[info@biom.net](mailto:info@biom.net) | 206-502-3097

On Aug 5, 2025, at 11:48 AM, OIC Rules Coordinator <RulesC@oic.wa.gov> wrote:

Mr. Kessler.

In response to your questions about the July 31, 2025, interested party meeting relating to R 2025-05 rulemaking. The OIC does not have a recording for this meeting. As a policy, we don't record these meetings. The [clarifying and updating the minimum standards for claims handling \(R 2025-05\)](#) website will be the place where all relevant documents will be posted relating to this rulemaking.

The purpose of the meeting on July 31, 2025, was to answer any questions and hear other comments relating to the [First Prepublication Draft](#). In order for comments to be considered for the rulemaking, we encourage those to submit written comments. Instructions can be found on the website or can be sent to [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov). Comments for the First prepublication draft will be accepted through August 8, 2025. All comments will be posted on the rules website for the public.

The OIC anticipates releasing other draft rules for public comment in the coming weeks.

To learn more about the rulemaking process, as outlined in the Administrative Procedures Act, please see Revised Code of Washington (RCW) [34.05](#).

Thank you,

**RE: Clarifying and Updating the Minimum Standards for Claims Handling (R  
2025-05) - Public Comment: Homeowner + Business Owner Insurance Claims**

August 7, 2025

To:

Rules Coordinator

Washington Office of the Insurance Commissioner

rulescoordinator@oic.wa.gov

From:

Michael Kessler & Catherine Bradshaw

Bainbridge Island, WA

Policyholder Advocates

Dear Rules Coordinator:

We submit this comment in strong support of the proposed rulemaking to clarify and update Washington's minimum standards for claims handling. Our lived experience as policyholders who were forced to seek justice in federal court against two of the nation's largest insurers demonstrates why clearer and enforceable standards are urgently needed.

In our case, both insurers engaged in prolonged delay, denial, and dissembling following a catastrophic property loss. Despite replacement value policies, neither insurer promptly paid the actual cash value of our claim within the statutory 30-day window. Instead, they insisted on unnecessary inspections, demanded redundant information, and falsely declared the structure "habitable" and "repairable"—in blatant disregard of engineering evidence to the contrary. These tactics were not about investigating the loss; they were about avoiding payment. The debilitating length of time it took us to reach even a partial settlement—without compensation for the enormous pain and suffering inflicted on us personally, professionally, and on the viability of our home-based business—was the direct result of insurance adjuster collusion to deny coverage through structural engineering misrepresentation. We endured two and a half years fighting two conjoined bad faith claims, followed by two more years in federal court representing ourselves *pro*

se, struggling day in and day out to keep our case alive after the OIC abandoned us to our fate by failing to properly investigate our claims.

We urge the Commissioner to adopt clear, enforceable claims handling standards with teeth. These rules must:

1. Require insurers to proactively disclose all policyholder rights and valuation standards up front.
2. Prohibit delay tactics disguised as "investigation" when documentation and expert reports confirm the loss.
3. Enforce penalties when insurers misrepresent material facts or make lowball offers unsupported by good faith valuation methods to be used should the policyholder be forced into court in search for indemnity.
4. Impose accountability on the OIC itself for failing to respond meaningfully to valid consumer complaints.

We appreciate the Commissioner's attention to these issues and thank you for opening this rulemaking to public comment. We hope our experience will be instructive and result in standards that truly protect the public and ensure that insurance, as the law promises, actually provides assurance.

Respectfully submitted,

Michael Kessler & Catherine Bradshaw

Policyholders and Complainants, OIC Case 1654487

Pro Se Plaintiffs, U.S. District Court – Western District of Washington, Case 3:23-cv-05527-TMC

**RE: Clarifying and Updating the Minimum Standards for Claims Handling (R 2025-05): Public Comment: Auto Claim**

August 7, 2025

To:

Rules Coordinator

Washington Office of the Insurance Commissioner

rulescoordinator@oic.wa.gov

From:

Michael Kessler

Bainbridge Island, WA

Policyholder Advocate

Dear Rules Coordinator,

I submit this comment in support of strengthening the proposed rulemaking under R 2025-05, which seeks to clarify and update the minimum standards for claims handling in Washington State.

I write on behalf of a friend I've been assisting in her struggle for indemnity after a traumatic hit-and-run accident and the bad faith insurance handling that followed.

Without her consent, the at-fault driver's insurer authorized repairs using substandard aftermarket parts. The repair shop selected by that insurer began work without securing her written approval. Her own insurer refused to advocate on her behalf or even explain her rights. When she objected to the unauthorized work, everyone pointed fingers. No one took responsibility.

The shop charged, and the at-fault driver's insurer paid, approximately \$3,800 for repairs that were improper and made without lawful consent. When she had the vehicle towed—at her own expense of \$865—to a trusted, certified repair facility, their estimate to restore the vehicle using proper OEM parts and manufacturer standards came to over \$9,700!

The financial difference is staggering. The emotional toll—stress, confusion, and helplessness—is equally severe.

This is her story. And she is not alone.

Under RCW 48.01.030, all persons involved in the business of insurance are required to act “in good faith, abstain from deception, and practice honesty and equity in all insurance matters.” But that principle is too often ignored in practice—especially when claimants are vulnerable and lack expert guidance.

**Policy Recommendation:**

We urge the Office of the Insurance Commissioner to ensure that the final rules:

1. Prohibit insurers from authorizing repairs or releasing payments without the policyholder’s express, written consent to the work and estimate.
2. Mandate full disclosure of policyholder rights at first notice of loss, including the right to independent repair and the use of OEM parts when appropriate.
3. Establish insurer responsibility for improper third-party repairs made without clear consent.

We also request that this case—and others like it—inspire OIC to consider publishing a Policyholder Bill of Rights alongside the final rule, ensuring that ordinary people understand how to protect themselves from these kinds of bad faith practices.

We need clear standards that center the policyholder—not the insurer—as the party to be protected.

Thank you for your attention to this matter and for your work in updating these vital consumer protections.

Respectfully submitted,  
Michael Kessler  
Policyholder Advocate  
Bainbridge Island, WA  
info@biom.net | 206-502-3097