

OIC Rules Coordinator

From: Steve Forman <steve@ltc-associates.com>
Sent: Friday, June 20, 2025 4:03 PM
To: OIC Rules Coordinator
Subject: CR-101 R2025-05 Comment "Clarifying and updating the minimum standards for claims handling"

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Good afternoon,

I've been waiting for this opportunity to help close a loophole which has contributed to the unstable P&C market in WA, but has until now flown under the radar.

The state of Washington's [notoriously bad roads](#) is, of course, well-known. My story will illustrate the downstream effects, and suggest how this new rulemaking might improve the system. In January, 2022 in heavy traffic on a rainy Saturday night, we hit a pothole on Rainier Avenue, blowing out both tires on the left side of the car. Four months later, heading west on the I-90 freeway, we flew over a pothole and blew out our third tire in four months. In both cases, my insurance company paid for towing, and to replace the tires. And, in each case, the city and/or county accepted liability for the disrepair of the roads, and reimbursed me for the unpaid portion of my bills. So far, so good.

In November, 2022, I learned that my insurance company was pulling out of Washington. When my agent and I attempted to find replacement coverage (bundled home/auto/personal collection/liability), I was declined: those two potholes were too many claims. They wouldn't take me on at any price. To say I was flabbergasted is an understatement. We appealed to the underwriter, but were unsuccessful. So, we turned to a second insurer, who did agree to provide home/auto/personal/umbrella—but with an ~\$800/yr surcharge for 3 years due to those two pothole claims.

When I contacted the Insurance Department, I was told there was nothing to be done; however, I thought something was amiss. So, I ordered the report on which my rate-up had been based (LexisNexis Consumer Disclosure Report). And what I learned leads me to today's rulemaking. Driving over a pothole is considered a collision, but your auto insurer has the discretion to record the accident as "at fault" or "not at fault." Not all states do it this way. And this discretion can affect drivers like me, and you. As you've seen, it can determine whether we can get homeowner's insurance, or pay a surcharge for liability insurance. And indirectly, it helps determine whether this is a market other insurers want to participate in.

I'm not sure drivers know how their collision is reported to LexisNexis unless they order a report (a cumbersome process most won't bother with). And there simply isn't a standard process for "fixing" it with one's old insurer in order to make an appeal to the new insurer. Some potholes are of course avoidable. As a driver or passenger, you understand how many are not. I certainly don't think a driver should be "at fault" when a third party has accepted fault, and I'm not fond of letting the insurer assign "tick the box" liability without conducting meaningful assessment.

What a great area of claims handling to standardize!

Thank you,

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