

Name of agency personnel responsible for:

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Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?☐ Yes ☒ No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

Is a cost-benefit analysis required under [RCW 34.05.328](#)?☐ Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name
Address
Phone
Fax
TTY
Email
Other

☒ No: Please explain:**Determination of exemption**

The OIC has determined that the rule is exempt from a cost benefit analysis for the following:

- **RCW 34.05.328(5)(b)(v):** Rules the content of which is explicitly and specifically dictated by statute, including any rules of the department of revenue adopted under the authority of RCW 82.32.762(3).

Rationale

The Insurance Commissioner is considering rulemaking to implement Substitute Senate Bill 5419, which requires insurers to report fire losses to the Commissioner instead of the Washington State Patrol. The rulemaking will implement how insurance companies provide fire loss data to the Commissioner.

This proposed rulemaking is exempt from a full cost benefit analysis because language added to the section 284-20-010 WAC is dictated by statute. SSB 5419 requires insurers or insurance company statistical agents to report fire losses within 90 days of closing a claim and details the precise data elements required. The rule language references statute and directs submitters to the Commissioner's website for the reporting instructions. This rule is required by statute and does not expand upon the existing scope of the statutory requirement.

Rule Section	Section Title	Subject of Rulemaking	Exemption Reason
WAC 284-20-010	Standard fire policies	The proposed rule amendment aligns existing rule with the law as established in Chapter 225, Laws of 2025.	This section is exempt under RCW 34.05.328(5)(b)(v) because the rule content is explicitly dictated by statute.

Determination

OIC determines that this rule is exempt from cost benefit analysis requirements.

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

☐ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

☐ This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

☐ This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570](#)(2) because it was adopted by a referendum.

☐ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(3). Check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input checked="" type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |

☒ This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025](#)(4). (Does not affect small businesses).

☐ This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule:

Legal Obligations:

RCW 19.85 states that "...an agency shall prepare a small business economic impact statement: (i) If the proposed rule will impose more than minor costs on businesses in an industry..."¹ The Small Business Economic Impact Statement (SBEIS) must include "...a brief description of the reporting, recordkeeping, and other compliance requirements of the proposed rule, and the kinds of professional services that a small business is likely to need in order to comply with such requirements... To determine whether the proposed rule will have a disproportionate cost impact on small businesses."²

This rule proposal, or portions of the proposal, are exempt from requirements of the Regulatory Fairness Act under

- RCW 34.05.310(4)(e) – Rules the content of which is explicitly and specifically dictated by statute.
- RCW 19.85.025(4) – The businesses that must comply with the proposed rule are not small businesses, under chapter 19.85 RCW. The OIC has found that none of the existing insurance issuers may be considered small businesses under RCW 19.85.020(3).

Rationale for Exemptions:

RCW 34.05.310(4)(e)

This proposed rulemaking is exempt from a SBEIS as language added to the section 284-20-010 WAC is dictated by statute. SSB 5419 requires insurers or insurance company statistical agents to report fire losses within 90 days of closing a claim and details the precise data elements required. The rule language references statute and directs submitters to the Commissioner's website for the reporting instructions. Rule adoption is required by statute and does not expand upon the existing scope of the statutory requirement.

RCW 19.85.025(4)

¹ Chapter 19.85.030: <http://app.leg.wa.gov/RCW/default.aspx?cite=19.85.030>

² RCW 19.85.040: <http://app.leg.wa.gov/RCW/default.aspx?cite=19.85.040>

Further, this rule does not impact small businesses. The rule impacts direct property and casualty insurance carriers, who do not qualify as small businesses. The average number of employees per firm was determined below using WA Employment Security Department Quarterly Census of Employment and Wages data.³

Average number of firms: 79

Average annual employment over 12 months: 4,178

Average number of employees per firm (North American Industry Classification System code 524126): 53

The average number of employees for a direct property and casualty insurance carrier is 53 employees, which is above the small business threshold of 50 under chapter 19.85.020(3).

Determination:

OIC determines that this rule is exempt from small business economic impact statement requirements.

(2) Scope of exemptions: *Check one.*

- ☒ The rule proposal: Is fully exempt. (*Skip section 3.*) Exemptions identified above apply to all portions of the rule proposal.
- ☐ The rule proposal: Is partially exempt. (*Complete section 3.*) The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- ☐ The rule proposal: Is not exempt. (*Complete section 3.*) No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- ☐ No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. _____
- ☐ Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name Simon Casson
Address PO Box 40255, Olympia, WA 98504-0255
Phone 360-725-7171
Fax 360-586-3109
TTY
Email RulesCoordinator@oic.wa.gov
Other

Date: September 16, 2025

Name: Patty Kuderer

Title: Insurance Commissioner

Signature:



³ <https://esd.wa.gov/jobs-and-training/labor-market-information/employment-and-wages/covered-employment-qcew>

WAC 284-20-010 Standard fire policies. (1) This regulation is promulgated pursuant to RCW 48.18.120(1) to define and effect reasonable uniformity in all basic contracts of fire insurance.

(2) All policies which include coverage against loss or damage by fire are hereby defined to be basic contracts of fire insurance unless they come within the scope of insurance code provisions, or regulations adopted by the commissioner, providing that they may be regarded as marine, inland marine, vehicle, or casualty policies.

(3) Except for the provisions of the next succeeding three paragraphs, no company shall issue any basic contract of fire insurance covering property or interest therein in this state other than on the form known as the 1943 New York Standard Fire Insurance Policy, herein referred to as the "standard fire policy": Provided, however, that such form shall be modified to conform to RCW 48.18.290 with respect to the number of days' notice of cancellation required. In addition, such form shall be modified as necessary to conform to WAC 284-20-020 with respect to inception and expiration times. Such modifications may be by endorsement.

(a) Insurers issuing a standard fire policy pursuant to this regulation are hereby authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under said policy: Provided, however, that nothing herein contained shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage for loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination provided such assumption clause has been filed with and approved by the commissioner in accordance with RCW 48.18.100.

(b) The pages of the standard fire policy issued pursuant to this regulation may be renumbered and the format rearranged for convenience in the preparation of individual contracts, and to provide space for the listing of rates and premiums for coverages insured thereunder or under endorsement attached to or printed thereon, and such other data as may be conveniently included for duplication on daily reports for office records.

(c) As an alternative form, a form written in clear, understandable language, which provides terms, conditions and coverages not less favorable to the insured than the "standard fire policy," may be used. Such alternative form may be incorporated in or integrated within a form providing other or additional coverages, as, for example, a home-owners policy or a special multiperil policy. The intent of this subsection is to permit understandable plain language policies and package policies without diminishing any rights an insured would have under the 1943 New York Standard Fire Insurance Policy.

(d) By use of such alternative form, an insurer certifies that it is not less favorable to the insured than the "standard fire policy." If, in the adjustment of claims, any provision of the "standard fire policy" applicable to such claims is found to be more favorable to the insured than the alternative form used, then provisions of the "standard fire policy" shall govern.

(4) Except for the intrinsic labor costs that are included in the cost of manufactured materials or goods, the expense of labor necessa-

ry to repair, rebuild, or replace covered property is not a component of physical depreciation and may not be subject to depreciation or betterment.

(5) In accordance with RCW 48.05.320, instructions for insurer reporting of fire loss or damage may be found on the commissioner's website at www.insurance.wa.gov.