

# R 2024-07 – Premium Change Transparency

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Comments due to OIC at [rulescoordinator@oic.wa.gov](mailto:rulescoordinator@oic.wa.gov) by October 13<sup>th</sup>, 2025

**NOTE: Changes include:**

- Delaying the previous second phase to January 1<sup>st</sup>, 2029 and making it a new phase 3.
  - Creating a new phase 2 that has increased reporting to the policyholder while maintaining it is provided at their request.
  - Clarifying that an email from the policyholder requesting the premium change information is sufficient to trigger the insurer's responsibility to respond.
  - Removing the ability to provide alternative notice language.
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## 284-30A-010

**Purpose.**

(1) Numerous consumer complaints filed with the commissioner about the premium increase explanations provided by insurers demonstrate a need for insurers to provide greater transparency to policyholders when their premiums increase.

(2) This chapter improves transparency in insurance by defining the scope of insurer responsibility to explain premium increases to policyholders.

(3) Insurers shall provide the premium change transparency required by this chapter to their policyholders indicating the premium increases occurring at renewal. Failure to provide the premium change transparency required by this chapter is hereby defined as an unfair and deceptive practice in the business of insurance under chapters [284-30](#) WAC and [48.30](#) RCW.

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## 284-30A-020

**Scope of applicability.**

- (1) This chapter applies to policies renewed on or after June 1, 2024.
- (2) This chapter applies to authorized insurers with the following types of personal insurance policies:
- (a) Private passenger automobile coverage; and
  - (b) Homeowner's coverage, including mobile homeowners, manufactured homeowners, condominium owners, and renter's coverage.
- (3) This chapter applies to renewals of policies and will not apply to the purchase of new policies or new insurance applications.
- (4) Exemptions:
- (a) This chapter does not apply to personal insurance policies for coverage of boats, motorcycles, off-road vehicles, recreational vehicles, antique or collector vehicles, classic vehicles, and specialty vehicles.
  - (b) Insurers of health, disability, life, and long-term care are exempt from compliance with this chapter. Health care services contractors and health maintenance organizations are also exempt from compliance with this chapter.
  - (c) Nothing in this chapter requires insurers to disclose the contents of credit-based insurance scoring models, company placement criteria or eligibility rules, and strictly confidential insurance company trade secrets, as defined by chapter [19.108](#) RCW (Uniform Trade Secrets Act). However, insurers may need to provide information specific to the policyholder that has been produced through or resulting from these sources to comply with this chapter.
  - (d) Information in a filing on "usage-based insurance" and about the usage-based component of the rate is confidential and exempt from this chapter, pursuant to RCW [48.19.040](#).
  - (e) This chapter does not apply to policyholder-initiated changes to insurance coverages, policies, or premiums.
  - (f) This chapter does not apply to personal umbrella policies.
- (5) This chapter is not intended to contradict or conflict with the Fair Credit Reporting Act (15 U.S.C. Sec. 1681).
- (6) This chapter, and the associated premium change transparency requirements, are in addition to and separate from the disclosure requirements contained in chapter [284-24A](#) WAC.
- (7) Violation of this regulation is not a violation for purposes of RCW [48.30.015](#)(5).

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## **284-30A-030**

### **Definitions.**

When used in this chapter, these terms are defined as and have the following meaning:

- (1) "Antique vehicle" or "collector vehicle" means a vehicle that is a classic vehicle and is at least 30 years old.
- (2) "Classic vehicle" means a vehicle that is at least 10 years old and has historical interest for preservation or restoration.
- (3) "Insurance" has the same meaning as provided in RCW [48.01.040](#).
- (4) "Insurance policy" or "policy" or "insurance contract" or "contract" means any contract of insurance, indemnity, or suretyship, issued, proposed for issuance, or intended for issuance by any insurer that provides either:
  - (a) Private passenger automobile coverage; or
  - (b) Homeowner's coverage, including mobile homeowners, manufactured homeowners, condominium owners, and renter's coverage.
- (5) "Insurer" means any individual, corporation, association, partnership, reciprocal exchange, interinsurer, fraternal mutual insurer, and any other legal entity engaged in the business of insurance, and which is authorized to issue and which issues any insurance policy or insurance contract in this state that provides either:
  - (a) Private passenger automobile coverage; or
  - (b) Homeowner's coverage, including mobile homeowners, manufactured homeowners, condominium owners, and renter's coverage.
- (6) "Policyholder" means either the persons, entities, or both, listed on the declarations page as the named insured in an insurance policy. Policyholder does not include other covered individuals or lienholders.
- (7) "Policy period" means the time or period during which insurance coverage is in effect.
- (8) "Premium" has the same meaning as provided in RCW [48.18.170](#).
- (9) "Premium change transparency" means either insurer explanations or notices provided to policyholders regarding premium increases occurring at renewal according to this chapter.
- (10) "Written" or "in writing" means any retrievable method of recording an agreement or document, and, unless otherwise specified, includes paper and electronic formats.

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**284-30A-040**

**Premium change transparency thresholds.**

(1) Beginning June 1, 2024, and effective until ~~January~~June 1, 2027, insurers shall provide reasonable explanations, for insurance policies as described in WAC [284-30A-020](#), upon written request by the policyholder, for any premium increase occurring at renewal.

~~(2) Beginning January 1, 2027, insurers shall provide premium change notices, with reasonable explanations and primary factors, disclosing the causes of premium increases for insurance policies as described in WAC 284-30A-020, upon written request by the policyholder, for any premium increase occurring at renewal.~~

~~(32)~~ Beginning ~~January~~June-1, 20~~27~~29, insurers shall provide premium change notices, with reasonable explanations and primary factors, disclosing the causes of premium increases for insurance policies as described in WAC [284-30A-020](#). Insurers shall provide premium change notices automatically when a renewal will result in a 10 percent premium increase or more, or upon written request by the policyholder for any premium increase occurring at renewal.

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## 284-30A-050

### Premium change transparency administrative requirements.

(1) **Insurer premium change transparency disclaimer:** Beginning June 1, 2024, insurers shall include a prominent disclaimer on the first page or view of renewal notices, emails relating to renewal notices, and renewal billing statements with the following indicating, in **at least 12-point type bold font;** substantially similar language as the following: ***"Per the Insurance Commissioner's requirement, all insurers must provide Ppolicyholders receiving an increase to their premiums at renewal an explanation for any premium increase when requested. The request must be made in writing and can be through email.can request an explanation by contacting their insurer in writing. Please see Chapter [284-30A](#) WAC for additional information on your right to an explanation for your rate increase."***

(2) Insurers shall include their contact information in all premium change transparency to policyholders, and may include the producer's (if any), contact information. The contact information must include an email and mailing address the consumer can use to provide a written request.

(3) Consumers' written requests, and insurers' premium change transparency, are deemed to be requested and responded to at the date indicated by either postmark or electronic timestamp for delivery. In the event of duplicate requests or responses, for delivery by both mail and email, then this date will be determined as the earlier of either postmark or electronic timestamp for delivery.

(4) Insurers shall provide premium change transparency to the policyholder, and their producer (if any), according to the following:

(a) If upon written request, then no later than 20 calendar days from the receipt of the written request; and

(b) If upon renewal, due to a 10 percent premium increase or more, then automatically and no less than 20 calendar days prior to the effective date of the renewed policy.

- (5) Insurers shall include a statement in all premium change transparency that the policyholder may contact their insurer to request additional information about the policyholder's premium increases.
- (6) Insurers shall respond to and provide additional information for policyholder's subsequent requests for premium change transparency, no later than 20 calendar days from the receipt of any subsequent requests.
- (7) Insurers shall send premium change transparency to policyholders in writing, and may send either explanations or notices via postal mail, or may deliver either in email or electronic format, if the policyholder has consented to receive notifications electronically. All electronic correspondence, notices, and deliveries must comply with chapter [48.185](#) RCW.
- (8) Insurers may send premium change transparency to the policyholder individually or with renewal notices.
- (9) Insurers may provide policyholders with access to a language translation service specific to the premium change transparency. This can include either written or telephonic translation services. If an insurer translates premium change transparency, then the translations must comply with WAC [284-20B-150](#).
- (10) Insurers' records related to premium change transparency are subject to RCW [48.05.280](#). Insurers' records must be retrievable and made accessible to the commissioner during the retention period.
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## **284-30A-060**

### **Premium change transparency notice requirements.**

- (1) ~~Prior to Beginning~~ January 1, 2027, insurers shall file the premium change notice with the commissioner, ~~whether~~ using the premium change notice provided in WAC [284-30A-080](#), ~~or using an alternative version of the premium change notice. Insurers shall file any alternative premium change notice with the commissioner, so the premium change notice can be reviewed for sufficiently meeting or exceeding the standards outlined in this chapter.~~
- (2) Insurers' failure to use the premium change notice in WAC [284-30A-080](#) ~~as the basis for their notice, or obtain commissioner approval to use alternative insurer premium change notices, when notice is required under this chapter,~~ is a violation of this chapter.
- (3) Insurers' premium change notice filings ~~and requests to use alternative premium change notices~~ shall be submitted electronically in the system for electronic rate and form filings (SERFF).
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## **284-30A-070**

### **Insurer communication standards.**

(1) Reasonable explanation is a communication standard that requires insurers to provide sufficient information, in terms that are understandable to an average policyholder, which enable the policyholder to figure out the basic nature of any premium increase.

(2) Primary factors is a communication standard that requires insurers to provide the specific rate and rating factors that caused the premium increase. The primary factors are the following:

(a) Auto-related factors (car garaging location, driving record, miles driven, number of drivers, and number of vehicles), claims history, discounts, fees and surcharges, demographic factors (age, credit history, education, gender, marital status, and occupation), property related factors (age, location, and value), premium capping, and rate changes (including those subject to rate stability rules, transition rules, or premium-capping rules, as referenced in WAC [284-24-130](#)).

(b) Insurers shall include the primary factors in the premium change notice, if applicable to the premium increase, with any premium change notices processed for renewals effective on or after June 1, 2027. Factors not listed above as primary are considered as optional factors. Insurers may include additional optional factors not listed in this section, if applicable to the premium increase.

(3) Insurers may include composite rating variables in premium change transparency to inform policyholders of premium increases. However, if insurers include composite rating variables in their premium change transparency, then insurers shall explain the premium increase attributed to the composite rating variables.

(4) Insurers may include the use of estimated dollars in premium change transparency, if a reasonable explanation is provided by the insurers to the policyholders on the degree of accuracy estimated dollars achieve, as specifically applied to that policy and premium increase.

(5) Insurers may show separate impacts by the different perils or risks being covered and the type of coverage for each.

(6) This chapter does not prohibit insurers from sending premium change transparency for all premium increases beyond those required in this section.

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## **284-30A-080**

### **Premium change notice contents.**

(1) This section outlines the explanation required and minimum amount of information to include in the contents of the premium change notice. Insurers are permitted to provide additional information beyond these requirements.

(2) **Premium change notice.**

**LICENSED INSURANCE COMPANY – NAME, ADDRESS, NAIC Number, & Notice Date**

**Policyholder Name, Policy Type, Covered Risks, Policy Number, Policy Period, and Effective Date**

- **We are notifying you of a premium increase to your insurance policy. Your premium for this insurance policy has increased from** (Total Amount) **to** (Total Amount) *(insurers insert amounts)*.
- **Your premium is impacted by** *(insurers insert primary factors such as auto-related factors, demographics, discounts, rates, and property related factors)*, **which will cause the price of your insurance to increase at renewal.**
- **Here is an explanation for each reason of your premium increase** *(insurers shall communicate the reasons for the premium increases along with a corresponding explanation; insurers' explanations must include the percentage or dollar change occurring to the policyholder's premium at renewal):*

\*Please note: Your future premiums may increase or decrease if you change your coverage, if there are changes in your risk characteristics that occur during this time frame, or by future rate change filings made by our company in your state.

**If you have any questions, please contact your insurance company via**  
**telephone ( ), email ( ), postal mail ( ), or visit our website ( ).**

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**284-30A-090**

**Penalties for noncompliance.**

- (1) Insurers who fail to adhere to this chapter, including the provisions on content requirements, timing, notice, and retention, are considered to have committed unfair and deceptive practices, and will be subject to the applicable remedies and penalties contained in chapters [284-30](#) WAC and [48.30](#) RCW.
- (2) Insurers shall not enter into any agreement, arrangement, scheme, or understanding, or in any other manner pursue any course of conduct, designed or intended to avoid compliance with this chapter.
- (3) Insurers are responsible for compliance with this chapter and cannot avoid liability by delegating premium change transparency requirements to third parties.

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**284-30A-100**

**Severability clause.**

If any section or portion of a section of this chapter or the applicability thereof to any person or circumstance is held invalid by a court, the remainder of this chapter or the applicability of the provision to other persons or circumstances shall not be affected.