PROPOSED RULE MAKING

CR-102 (June 2024)
(Implements RCW 34.05.320)
Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: November 04, 2025
TIME: 2:24 PM

WSR 25-22-095

Agency: Washington State Office of the Insurance Commissioner (OIC) Insurance Commissioner Matter R 2025-04

☒ **Original Notice**
☐ **Supplemental Notice to WSR _____**
☐ **Continuance of WSR _____**

☒ **Preproposal Statement of Inquiry was filed as WSR** 25-13-103 **; or**
☐ **Expedited Rule Making--Proposed notice was filed as WSR _____; or**
☐ **Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**
☐ **Proposal is exempt under RCW _____.**

Title of rule and other identifying information: (describe subject) Registering and identifying auto umpires uto umpires

Hearing location(s):

Date:	**Time:**	**Location:** (be specific)	**Comment:**
December 9, 2025	11:00 a.m. – 12:00 p.m. PT	https://wa-oic.zoom.us/meeting/register/JuQazzmuQ_2CJM0p_XupkQ	

Date of intended adoption: December 15, 2025 (Note: This is **NOT** the **effective** date)

Submit written comments to:
Name Rules Coordinator
Address P.O. Box 40255, Olympia, WA 98504-0255
Email RulesCoordinator@oic.wa.gov
Fax 360-586-3109/3535
Other
Beginning (date and time) November 4, 2025 at 12:00 a.m. Pacific Time
By (date and time) December 10, 2025 at 11:59 p.m. PT.

Assistance for persons with disabilities:
Contact Rules Coordinator
Phone 360-725-7171
Fax 360-586-3109/3535
TTY 360-586-0241
Email RulesCoordinator@oic.wa.gov
Other
By (date) Close of business on December 8, 2025

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The Legislature passed Engrossed Senate Bill 5721 relating to the creation of a standard automobile insurance appraisal clause language. The new law requires the Insurance Commissioner to register competent and disinterested umpires who will be identified to appraisers if they are unable to agree on an umpire to resolve their loss dispute.

Reasons supporting proposal: WAC revisions are needed to implement ESB 5721. This rule provides guidance on how to register and request umpires for automotive insurance appraisals operating under the appraisal clause.

Statutory authority for adoption: RCW 48.02.060; Chapter 225, Laws of 2025

Statute being implemented: RCW 48.18.620; Chapter 394, Laws of 2025

Is rule necessary because of a:

Federal Law?	☐ Yes	☒ No
Federal Court Decision?	☐ Yes	☒ No
State Court Decision?	☐ Yes	☒ No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

Name of proponent: (person or organization) Patty Kuderer
Type of proponent: ☐ Private. ☐ Public. ☒ Governmental.

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting	Lauren Burnes	PO Box 40255, Olympia, WA 98504-0255	360-725-7171
Implementation	Amanda Jackson	PO Box 40255, Olympia, WA 98504-0255	360-725-7000
Enforcement	Sofia Pasarow	PO Box 40255, Olympia, WA 98504-0255	360-725-7000

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 Rules Coordinator
Address P.O. Box 40255, Olympia, WA 98504-0255
Phone 360-725-7171
Fax 360-586-3109/3535
TTY 360-586-0241
Email RulesCoordinator@oic.wa.gov
Other

☐ No: Please explain:

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:

☐	RCW 34.05.310 (4)(b) (Internal government operations)	☒	RCW 34.05.310 (4)(e) (Dictated by statute)
☐	RCW 34.05.310 (4)(c) (Incorporation by reference)	☐	RCW 34.05.310 (4)(f) (Set or adjust fees)
☐	RCW 34.05.310 (4)(d) (Correct or clarify language)	☐	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:

Auto insurance carriers

The OIC determined that auto insurance carriers may be impacted by this rule. Based on preliminary 2024 ESD Covered Employment data, direct property and casualty insurance carriers (including those offering auto insurance) are not considered small businesses, as they have an average of 52.9 employees per firm (4,178 average annual employees/79 average firms).

Auto umpires

The OIC determined that an auto umpire may be a small business. Based on preliminary 2024 ESD Covered Employment data, claims adjusting businesses (including auto umpires) have an average of 4.5 employees per firm (404 average annual employment/89 average firms).

The rule does not cause more than a minor cost to auto umpires because:

- Registration is optional; and
- If an auto umpire chooses to register:
  - The registration process is free of cost; and
  - The registration form consists of a few simple questions and can be completed in fewer than 30 minutes. The average weekly wage is $2,106, or an average hourly wage of $52.65. The estimated cost in wages to complete the survey is well below the minor cost threshold.

NAICS Code	Estimated Cost of Compliance	NAICS Code Title	Minor Cost Estimate[3]	1% of Avg Annual Payroll [4]	0.3% of AVG Annual Gross Business Income [5]
524291	$0	Claims adjusting	$2,110	$442,441	$2,110

The OIC determines that this rule is exempt from small business economic impact statement requirements because:
- Auto insurance carriers are not considered small businesses under RCW 19.85.020(3); and
- The proposed rule will not impose more than minor costs on auto appraisal umpires.

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

[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
[3] Minor cost means a cost per business that is the lesser of: a) three-tenths of one percent of annual revenue or income or one hundred dollars, whichever is greater; or b) one percent of annual payroll. RCW 19.85.020.
[4] Employment Security Department, Preliminary 2024 Annual Averages (Covered employment, NAICS code 6 digits) Labor market report library | Employment Security Department
[5] Department of Revenue, 2024 Gross Business Income Data

(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
Address
Phone
Fax
TTY
Email
Other

Date: November 4, 2025	**Signature:**
Name: Patty Kuderer	Patty Kuderer
Title: Insurance Commissioner	

NEW SECTION

WAC 284-20-310 Automobile insurance appraisal—Umpire. (1) In accordance with RCW 48.18.620, instructions for appraisers to request that the commissioner appoint a registered competent and disinterested umpire may be found on the commissioner's website at www.insurance.wa.gov. Additionally, instructions for an umpire to become registered may be found on the commissioner's website at www.insurance.wa.gov.

(2) To become a registered umpire, one must possess the following:

(a) A minimum of five years of experience as an appraiser of auto claims or a collision repair specialist;

(b) A minimum of five times serving on an appraisal panel as an umpire;

(c) One of the following educational requirements:

(i) An associate degree or equivalent in auto repair; or

(ii) A professional auto repair certification or designation from one of the following or an equivalent:

(A) The Inter-Industry Conference on Auto Collision Repair;

(B) An original equipment manufacturer; or

(C) The National Institute for Automotive Service Excellence (ASE); and

(d) An additional appraisal certification or designation from one of the following or an equivalent:

(i) The Bureau of Certified Auto Appraisers;

(ii) The American Society of Certified Auto Appraisers;

(iii) The National Automotive Appraiser Association; or

(iv) The Insurance Appraisal and Umpire Association.

(3) Prior to presiding over an appraisal panel, a registered umpire is required to complete an attestation form and attest that they are competent and disinterested as those terms are defined in RCW 48.18.620. The attestation form and process for submitting the form to the commissioner may be found on the commissioner's website at www.insurance.wa.gov.