

Concise Explanatory Statement of the Rule
Rule Subject: Electronic payment of claims.
Matter No. R 2016-12
per RCW 34.05.325(6)

I. History:

A CR 101 was filed on: May 13, 2016

The comment period was open until: June 30, 2016

A CR 102 was filed on: August 23, 2016

The comment period was open until: September 26, 2016

A rule-making hearing was held on: September 27, 2016

II. Commissioner's Reasons for Adopting the Rule:

When WAC 284-30-330(16) was adopted in 1987, electronic banking and transfer of funds did not exist to the extent available currently. With the availability of new methods of making payments that now exist, insurers could make payments of claims quicker and more efficiently if permitted to establish procedures to make claim payments in other forms rather than being restricted to just either check or drafts as currently required in WAC 284-30-330(16).

III. Text Differences between CR 102 published text and CR103 text to be adopted:

None

IV. Summary of Received Comments on the Proposed Rule

A. Summary of all comments received [de-identified, arranged by category or subject matter]

1. During the CR 101 comment period:

We support the proposed rule, however the rule should state that the insurer be allowed to make payments using these additional methods, not require them.

2. During the CR 102 comment period and summary of hearing testimony:

We support the proposed rule and thank the OIC for the economy of words and directness of language. We also thank the OIC for working with industry in making the language clear that the change in the rule is permissive and not a requirement.

Commissioner's response: The Commissioner agrees with the suggested changes to the proposed language and amended the text of the proposed rule to make clear that insurers are permitted to use these additional methods, but are not required to do so.

Date completed: September 27, 2016

Analyst: Jim Tompkins