

2023 Rules Agenda

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Name of proposed rule	Summary
R 2022-01 Transparency in Insurance Underwriting	<p>This rulemaking has had a public hearing. Please see the individual rule page for the most current information.</p> <p>The Commissioner is proposing rulemaking to achieve transparency for insureds receiving premium increases from insurers at renewal. This rule will apply to private passenger auto coverage and homeowner’s coverage, including mobile and manufactured homeowners, condominium owners, and renter’s coverage. Effective June 1, 2024, and until June 1, 2027, insurers will be required to provide reasonable explanations upon written request by a policyholder for any premium increase. Effective June 1, 2027, insurers will be required to automatically provide a premium change notice to a policyholder, which includes reasonable explanations and primary factors, disclosing the causes for a premium increase of 10% or more. Insurers must also provide the premium change notice for any policyholder upon written request.</p>
Eliminating pre-licensing education requirements for insurance producers	<p>House Bill 1061 (2023) removes pre-licensing education requirements for first-time resident insurance producer licensee applicants. Proposed rulemaking will make changes to several rules under chapter 284-17 WAC that pertain to pre-licensing education requirements to align with the new law.</p>

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Best interest standard for annuity transactions	House Bill 1120 (2023) requires insurance producers to act in the best interest of the consumer under the circumstances known at the time when making an annuity recommendation and is aligned with NAIC’s Model Regulation #275 on Annuity Transactions. The proposed rulemaking will align chapters 284-17 and 284-23 WAC with the new law, including updating training requirements, revising the scope of applicability, and removing the prior suitability standard.
Email communication by the Office of the Insurance Commissioner	Substitute House Bill 1266 (2023) sets a process for email communication from OIC with insurance producers when the communication may affect licensure. Proposed rulemaking will address chapter 284-17 WAC to change definitions, address of record information, and email processes.
Revising the prior authorization process	Engrossed Second Substitute House Bill 1357 (2023) revises timelines for health plans processing of prior authorization requests related to decisions, electronic authorization standards, and communication requirements. Proposed rulemaking intends to address inconsistencies between the new law and current rule, such as WAC 284-43-2000 (Health care services utilization review), 284-43-2020 (Drug utilization review), and 284-43-2050 (Prior authorization processes).
Continuity of coverage for prescription drugs	Substitute Senate Bill 5300 (2023) prohibits health carriers and their health care benefit managers from requiring substitution of a prescribed nonpreferred drug with a preferred drug or increasing an enrollee's cost sharing obligation when the prescription is for a refill of an antipsychotic, antidepressant, or antiepileptic drug, or any other drug prescribed to treat a serious mental illness. Proposed rulemaking intends to address inconsistencies between the new law and current rules, including addressing the prescription drug process (WAC 284-43-2021), formulary policies and prescription drug cost sharing (WAC 284-43-5060 through 284-43-5110), and the definition of “serious mental illness” (WAC 284-43-0160).

Risk mitigation in property insurance	Substitute Senate Bill 5720 (2023) allows commercial property insurers to provide risk mitigation goods and services as part of commercial property insurance policies. Proposed rulemaking intends to amend chapter 284-33 WAC to remove exclusion of commercial property insurers and remove any reference to the amount allowed.
Consolidated health care proposed rulemaking	<ul style="list-style-type: none"> • This proposed rulemaking intends to consolidate efforts in several health-related areas, including: • Engrossed Substitute House Bill 1222 (2023) requires coverage of hearing instruments. Proposed rule language may clarify that an enrollee can purchase a more expensive hearing instrument and may address circumstance in which an enrollee changes plans during the 36-month hearing instrument benefit period. • Senate Bill 5036 (2023) extends by 6 months the date by which real-time telemedicine using audio and video technology may substitute for an in-person appointment. Proposed rule language intends to extend the timeframe, as consistent with the new law. • Senate Bill 5066 (2023) clarifies that contracts and contract amendments between health care benefit managers and health carriers that were executed prior to the effective date of the bill and remain in force must be filed with OIC no later than 60 days following the effective date of the bill. Proposed rule language intends to update WAC 284-180-460 so that carriers are added to the current list of entities for which HCBMs must file their contracts and contract amendments. Rulemaking may also address where there are discrepancies between the carrier and HCBM filings. • Senate Bill 5242 (2023) provides that a health carrier may not impose cost sharing for abortion of a pregnancy. Proposed rule language intends to include the new cost-sharing limitations for abortion. • Substitute Senate Bill 5396 (2023) prohibits health carriers from imposing cost sharing on coverage for supplemental and diagnostic breast examinations. Proposed rule language intends to include the new cost-sharing limitations for breast examinations. Rulemaking may also include requiring mammography services.

	<ul style="list-style-type: none"> Proposed rulemaking intends to align the definition of “emergency medical services” in RCW 48.43.005 with the same term as defined in rule (WAC 284-43-0160 and 284-170-130).
Health care benefit manager registration	The proposed rulemaking intends to reduce the documentation required for registration of health care benefit managers. Additionally, disclosures for registration are currently limited to state agencies; proposed rule language intends to include expansion for federal violations for oversight.
Affiliations elimination and appointment process changes	By law, an insurance producer may not act as an agent of an insurer unless the insurance producer becomes an appointed agent of that insurer. Under current rule, individual property and casualty licensees that represent a business entity or act on its behalf must be affiliated with the licensed business entity. The proposed rulemaking intends to remove the affiliation requirement to modernize insurance licensing in Washington and require licensees to be directly appointed by insurers. Rulemaking will pertain to eliminating the affiliations process and making changes to the appointments process.
Life insurance with accelerated benefits and long-term care riders	WAC 284-23-650 prohibits insurers from describing life insurance policies providing long-term care insurance benefits as long-term care insurance through the acceleration of the death benefit and requires that insurers issue a disclosure statement. The current rule language is in conflict with RCW 48.83.020(5), which allows life insurance policies funding long-term care insurance benefits through the acceleration of the policy’s death benefits. The proposed rulemaking will clarify to which policies the prohibition and disclosure statement would apply.