



OFFICE OF
INSURANCE COMMISSIONER

EMERGENCY ORDER NO. 20-03

TO: ALL INSURERS AUTHORIZED OR ADMITTED TO TRANSACT PROPERTY AND CASUALTY INSURANCE BUSINESS IN WASHINGTON STATE AND ALL ENTITIES REGULATED BY THE INSURANCE COMMISSIONER

FROM: MIKE KREIDLER, INSURANCE COMMISSIONER

RE: PROVIDING RELIEF TO WASHINGTON CONSUMERS FROM COVID-19 OUTBREAK BY ADDRESSING GRACE PERIODS FOR NONPAYMENT OF PREMIUM AND TEMPORARILY PROHIBITING CANCELLATION

PURSUANT TO RCW 48.02.060(4), the Insurance Commissioner of the state of Washington (“Insurance Commissioner”) orders all insurers, insurance producers, surplus line brokers, and other entities regulated by the Insurance Commissioner (hereafter “Regulated Entities”), as follows:

- A. Between March 25, 2020, and May 9, 2020, all Regulated Entities transacting any property and casualty insurance business shall provide grace periods for nonpayment of premium and shall waive otherwise applicable charges and fees associated with nonpayment of premium, such as late fees and reinstatement fees.
- B. Between March 25, 2020, and May 9, 2020, no property and casualty insurer shall cancel a policy issued for nonpayment of premium, unless specifically directed to do so by the insured.

BASIS

1. On February 29, 2020, the Governor issued Proclamation 20-05 declaring an emergency related to the COVID-19 outbreak. The proclamation provides in pertinent part as follows (emphasis added):

I, Jay Inslee, Governor of the state of Washington, as a result of the above noted situation, and under Chapters 38.08, 38.52 and 43.06 RCW, do hereby proclaim that a State of Emergency exists in all counties in the state of Washington, and direct the plans and procedures of the Washington State Comprehensive Emergency Management Plan be implemented. State agencies and departments are directed to utilize state resources and to do everything reasonably possible to assist affected political subdivisions in an effort to respond to and recover from the outbreak.

2. The COVID-19 outbreak has harmed or threatened to harm the property, safety and welfare of Washington citizens who have been rendered ill or whose lives or employment have been otherwise disrupted by the COVID-19 outbreak in the state of Washington.

Emergency Order No. 20-03

Re: Providing Relief to Washington Consumers from COVID-19 Outbreak by Addressing Grace Periods for Nonpayment of Premium and Temporarily Prohibiting Cancellation

Page 2 of 2

3. The geographical extent of this state of emergency is the entire state of Washington.
4. RCW 48.02.060(4)(b) & (c) provides in pertinent part that, when the Governor proclaims a state of emergency under RCW 43.06.010(12), the Insurance Commissioner may issue an order that addresses any or all of the following matters related to insurance policies issued in this state: (b) grace periods for payment of insurance premiums and performance of other duties by insureds; and (c) temporary postponement of cancellations or nonrenewals.
5. RCW 48.02.060(5) provides that an order by the Insurance Commissioner under subsection (4) of this section may remain effective for not more than sixty (60) days unless the Insurance Commissioner extends the termination date for the order for an additional period of not more than thirty (30) days. The Insurance Commissioner may extend the order if, in the Insurance Commissioner's judgment, the circumstances warrant an extension. An order of the Insurance Commissioner under subsection (4) of this section is not effective after the related state of emergency is terminated by proclamation of the Governor under RCW 43.06.210. The order must specify, by line of insurance: (a) the geographic areas in which the order applies, which must be within but may be less extensive than the geographic area specified in the Governor's proclamation of a state of emergency and must be specific according to an appropriate means of delineation, such as the United States postal service zip codes or other appropriate means; and (b) the date on which the order becomes effective and the date on which the order terminates.
6. Emergency action by the Insurance Commissioner is necessary to protect the property, safety and welfare of Washington citizens affected by the COVID-19 outbreak in the state of Washington.

ORDER

NOW, THEREFORE, the Insurance Commissioner hereby activates the provisions of RCW 48.02.060(4)(b) & (c) in order to protect the property, safety and welfare of Washington citizens affected by the COVID-19 outbreak in the state of Washington, as set forth above. The geographical extent of this Emergency Order is the entire state of Washington.

This Order shall remain in effect until May 9, 2020, subject to the further order of the Insurance Commissioner extending its effect.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Olympia, Washington, this
25th day of March, 2020.



MIKE KREIDLER
Insurance Commissioner