



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

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FILED

DATE: June 22, 2021

TIME: 10:50 AM

WSR 21-13-134

Agency: Office of the Insurance Commissioner

Subject of possible rule making: Prohibiting the depreciation of labor on property claims

Insurance Commissioner Matter R 2021-04

Statutes authorizing the agency to adopt rules on this subject: RCW 48.02.060, 48.27.020, 48.18.120

Reasons why rules on this subject may be needed and what they might accomplish: The practice of depreciating labor costs on insurance payments for property damage claims floats a significant part of the labor repair costs to the consumer and their repair contractor, unfairly shifting a burden to the consumer during the repair process. The Commissioner has seen a steady rise of policy forms that are writing this practice into their definition of Actual Cash Value. The Commissioner will consider rulemaking to prohibit the depreciation of labor on property claims.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Submit written comments by July 31, 2021.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

	(If necessary)
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Additional comments:

Date: June 22, 2021

Name: Mike Kreidler

Title: Insurance Commissioner

Signature: