

Vernon D. Schrag 1106 108th Ave NE, Apt 302 Bellevue WA 98004

Subject: WA OIC (R2022-01) Comments-Action in Rulemaking DRAFT Rules

To: Michael Walker
302 Sid Snyder Ave. SW
Olympia, WA 98504
Email: rulescoordinator@oic.gov

June 1, 2022

Cc: Washington State Governor Inslee
DSHS Assistant Secretary Bill Moss

When Rulemaking takes place that disregards or avoids addressing most essential elements of scope, this is called a "Fatal Flaw". All government agencies know this terminology because it puts Consumers, Taxpayers and State Agencies at risk.

Insurance company Lobbyists intervened with Kreidler for inactions/poor policies, practices and standards sued WA OIC (2017) An Administrative Judge ruling was made; and OIC lost the case. Best Practices were not in place for WA OIC.

On February 1, 2022 a formal Scope Document of R 2022-1 was issued by Kreidler; and this too left out vital parts of OIC Mission protections for Senior Citizens with Long Term Care Insurance. Legal Analysts and Rulemaking Staff must revise and remake their Draft proposal to incorporate Long Term Care protections.

Many members of the Transparency Review Team should have pointed out the flaws. FOIA requests may be needed to determine standards of conduct.

Other businesses and corporations doing business in WA State have rights too. We plan to involve them and their Lobbyists and Executives in getting timely, full resolution. We have a broad network of Lobbyists that work for Consumer Protections. DSHS has accountability as well. WA Companies like The Key; MBK; Homecare; Nursing Facilities/Senior Residences. Their employees, voters and taxpayers whose role and employment focuses on serving needs of their Elderly WA residents also have vested interests. Too many residents of WA are in harms way.

GLIC cannot continue to defraud or abuse their LTC Policyholders any longer. WA OIC must act. No more kicking-the-can or blaming other WA Agencies.

It's irresponsible and a tragic mistake to exclude Long Term Care (LTC) from OIC-Transparency Policymaking and Rulemaking Authority. R 2022-01 Hearings make it apparent WA OIC Agency Staff cannot perform its official State Mandated responsibilities in an ethical fashion. Immediate change in OIC Staff practices is required; and future Professionalism is essential.

Three Key Factors have come into clear focus for WA State OIC

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1. OIC' Disregard for broad Segments of WA State Consumer-Insurance Policyholders, namely those excluded from Rulemaking Hearings.
2. OIC' Disregard for Consumer Advocacy Protections by Commissioner Kreidler. NOT providing development or suitable training of Staff has a serious consequences for Insurance Policyholders.
3. OIC Failure to take OIC's Mission into account in carrying out day-to-day operations such as pricing submittals; and reviews of Insurance Company submittals for enormous annual policy pricing (over 100%) increases.

OIC's Mission

To protect consumers, the public interest, and our state's economy through fair and efficient regulation of the insurance industry. This mission supports OIC's vision of being recognized as a model for consumer protection and state insurance regulation by:

- Protecting and educating consumers,
- Promoting a healthy insurance environment,
- Managing resources and leverage technology to ensure effective and efficient operations; and
- Attracting and developing a capable, engaged, valued, and diverse workforce.

Furthermore for attention of OIC-Rulemaking Staff & Legal Analysts:

- a. Broad evidence and facts were submitted to the Rulemaking Members.
- b. Insurance Lobbyists provided written files outlining WA OIC's past practices.
- c. OIC's Rulemaking Document February 1, 2022 (enclosure 2pp) discloses narrow focus; and lack of consideration for WA State interested party disclosures to obtain necessary and vital information. Transparency is lacking in the Rulemaking process itself. Does NOT seek consumer inputs.
- d. Other impacted State Agencies, DSHS and others were left out of the Rulemaking. This appears to have been done purposefully as shown in OIC Documents published OIC-Rulemaking actions.
- e. Letters provided for Public Record came only from Insurance Lobbyists.

Request Action per Above to include Long Term Care Policies in DRAFT PROPOSAL.


Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag
Interested Party – OIC Transparency Rulemaking

enclosure 2pp

Enclosure: February 1, 2022 Preproposal Inquiry

	PREPROPOSAL STATEMENT OF INQUIRY	<table border="1"><tr><td>OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED</td></tr><tr><td>DATE: February 01, 2022 TIME: 8:04 AM WSR 22-04-091</td></tr></table>	OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED	DATE: February 01, 2022 TIME: 8:04 AM WSR 22-04-091
OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED				
DATE: February 01, 2022 TIME: 8:04 AM WSR 22-04-091				
CR-101 (October 2017) (Implements RCW 34.05.310) Do NOT use for expedited rule making				
Agency: Office of the Insurance Commissioner				
Subject of possible rule making: Insurance Underwriting Transparency				
Insurance Commissioner Matter R 2022-01				
Statutes authorizing the agency to adopt rules on this subject: RCW 48.02.060 for the Commissioner's general rulemaking authority to implement RCW 48.01.030, RCW 48.18.180, RCW 48.18.2901, RCW 48.18.292, RCW 48.18.480, RCW 48.18.545, RCW 48.19.020, RCW 48.19.035, and RCW 48.30.010.				
Reasons why rules on this subject may be needed and what they might accomplish: Insurance consumers are not provided with full disclosure and complete transparency from insurers for adverse actions, rate changes, or the factors that insurers consider in determining premiums. This prevents the insurance consumer from making informed decisions on their insurance policies, renewals, coverages, and pricing. This also causes the consumer to experience unfairness and deception in these transactions, where insurers are at a significant advantage with expert level knowledge of the insurance underwriting process, including how heavily and which rating factors are considered. Allowing insurers to make rate changes or to take adverse actions against consumers who are at a significant disadvantage in these dealings, where there is also lack of full disclosure, complete transparency, and fairness, results in unfair and deceptive trade practices.				
The Office of the Insurance Commissioner has received consumer complaints that indicate insurers have used unfair and deceptive practices involving a lack of complete transparency in rating premiums for insurance consumers. The unfair and deceptive practices operate to the detriment of the consumer, who is uninformed not only on the factors considered and the insurance underwriting process, but also as to how their insurer scrutinized or assessed each variable. Requiring insurers to provide an itemized notice to the consumer, disclosing the exact changes in a consumer's insurance, including costs, and the entirety of factors considered for adverse impacts, will achieve complete transparency, honesty, and fairness in these transactions.				
Currently insurers must provide notice stating the significant factors of the credit history or insurance score that resulted in adverse actions against a consumer based in whole or in part on credit history or insurance score. However, the adverse action notice provided by insurers under RCW 48.18.545(2), does not sufficiently disclose the totality of factors or underwriting process decisions in adequate detail, and it does not achieve complete transparency in all insurance transactions. Insurers do not provide full disclosure to consumers containing honest and transparent reasons for their insurance product prices, nor do they provide any exact information on other factors considered that can result in adverse impacts. This causes confusion for consumers, while creating the potential for deception and unfairness in associated insurance transactions. Consumers are unfortunately left unaware of the factors being considered by insurance companies in setting their insurance premiums and rates. This presents complications for all affected parties with insurer actions against the consumer, such as determining whether the statutory rate standards and prohibitions on discrimination are being met (RCW 48.18.480 and RCW 48.19.020).				
Consumers need to be provided with full disclosure and complete transparency, if their insurers are considering factors that result in adverse impacts or determine premiums and rates for insurance coverage, which at times can be statutorily mandated. In addition to complete transparency and full disclosure, consumers need access to complete information about their rates to determine if they are unfairly discriminatory or excessive, which are both prohibited under the Insurance Code. Insurers should provide consumers with an itemized notice disclosing their rating factors and the weight of consideration for each variable in insurance underwriting. The OIC recommends using the plain talk guidelines outlined by Executive Order 05-03 under Governor Christine Gregoire. This will afford consumers protection in the form of complete transparency and fairness in insurance underwriting, as well as the ability to make informed decisions on acquiring insurance, renewing policies, administering coverages, improving insurability, and managing insurance costs.				
The business practice of insurers taking actions against consumers, without disclosing or giving notice to the exact factors and actuarial reasons for doing so, is deceptive. Permitting insurers to veil their underwriting practices with the guise that they				

page 2 below

fairness in insurance transactions. The lack of complete transparency also allows insurers to take adverse actions, such as increasing insurance costs, without disclosing the exact factors and considerations that negatively impacted consumers.

The business of insurance, and the Insurance Code, are both conditioned upon the belief and intent that insurance is affected by public interest, which requires all affected parties to act with good faith, abstain from deception, and practice honesty and equity in all insurance matters. The duty of preserving the integrity of insurance is upon the insurer, the insured, their providers, and their representatives. The Office of the Insurance Commissioner's mission is to protect consumers, the public interest, and Washington's economy through the fair and efficient regulation of the insurance industry. * * *

Therefore, the Commissioner is considering rulemaking that will seek to achieve complete transparency in insurance underwriting by requiring insurers to provide notices to consumers for all factors evaluated in any associated insurer actions, which must include an itemized disclosure of all variables considered in underwriting, as well as the proportionality or weight at which those factors were evaluated. The required notice should provide the consumer with information indicating the exact changes in their insurance, whether related to costs, coverages, or insurer actions against the consumer. This rulemaking will attempt to accomplish complete transparency in underwriting by defining and clarifying the scope of insurer responsibility for adverse actions, premiums, rate changes, and consumer notice requirements.

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 March 1, 2022 * * *

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

Name: Michael Walker	(If necessary) * * *
Address: 302 Sid Snyder Ave., SW, Olympia WA 98504	Name:
Phone: 360-725-7036	Address:
Fax: 360-586-3109	Phone:
TTY: 360-586-0241	Fax:
Email: rulescoordinator@oic.wa.gov	TTY:
Web site: www.insurance.wa.gov	Email:
Other:	Web site:
	Other:

Additional comments:

Date: February 1, 2022

Name: Mike Kreidler

Title: Insurance Commissioner

Signature:



Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004
425-443-7958

June 1, 2022

**Attn: OIC Rulemaking Request
R 2022- 01**

To: Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

cc: DSHS Asst. Secretary Moss

Subject: URGENT ACTION REQUEST

Re: Consumer Protections - WA OIC Commissioner Failures

Dear Honorable Governor Inslee:

We're enclosing four (4) pages Approaching Deadline request regarding OIC Kreidler's Transparency-Insurance-Rulemaking Hearings on June 14th.

Commissioner Kreidler's Staff totally disregarded WA State Long Term Care Policyholders in their Draft Ruling per R 2022-01. LTC must be included.

Leadership for Kreidler's Rulemaking Team-Michael Walker has been unresponsive despite months of attempts to urge OIC's using reasonable ethical standards. Commissioner Kreidler's PREPROPOSAL STATEMENT OF INQUIRY (per enclosure) is badly flawed and incomplete. Not Transparent.

You may also note our May 20, 2022 letter to you in this important matter. We were referred to your office by DSHS for resolution. Please take appropriate steps to rectify matters of discrimination against WA Senior Long Term Care Insurance Policyholders. OIC is irresponsibly failing to protect Seniors.

State officials, including AGO Consumer Protection office appear to disregard Kreidler's "business-as-usual" in Policy matters, failing both OIC employees and use of unethical procedures in Rulemaking. FOIA actions to be taken.

OIC Kreidler's Insurance policy failures have directly harmed Senior's like us. Further Insurance fraud, corruption and Elder Abuse are unacceptable for WA State residents, taxpayers and voters. Your actions are vital to all of us.

Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag

Interested Party - OIC Transparency Rulemaking R 2022-01

encl. 4 pp.

From: [VERNON SCHRAG](#)
To: [Solano, Robert \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#); [Wolff, Jesse \(OIC\)](#); [Akita, Cameron \(DSHS/AL TSA/HCS\)](#)
Subject: Fwd: URGENT ACTION REQUEST LTR - Governor Jay Inslee June 1, 2022 re: OIC Rulemaking Hearings R 2022-01
Date: Friday, June 3, 2022 12:43:02 PM
Attachments: [Governor Inslee Ltr - Rulemaking-OIC Kreidler 6-1-2022_DS.pdf](#)
[WA OIC JUNE 2022 Rules Request Comments_Walker.pdf](#)

External Email

Dear Analyst Solano: FOR PUBLIC RECORD

See memo to Governor Inslee w/attached documents. I heard from Michael Walker on Wednesday as follows: (quote)

"Additionally, the consumer complaint process is separate from rulemaking. Please contact your assigned consumer complaint analyst if you have any additional information for your consumer complaints or if you are requesting for additional agency actions to be taken."

As the Complaint Analyst for my upload documents, 2021, 2022 and May 2022 (third complaint filings); and being in receipt of my Consumer Complaint documentation of vital/urgent need for Transparency and Action on GLIC/OIC LTC Policies, it now appears Michael Walker believes you are the one at OIC who should **take "additional agency actions"**.

But you indicated that was not the case when we spoke on the phone. You pointed me elsewhere. At Walker as I recall. Very confusing. Who has the ball? What do you believe is the appropriate step forward for LTC Insurance Policyholders in WA State.

Wouldn't it be the responsible, ethical and professional thing to do if you followed up with Rulemaking to include Long Term Care in the Draft wording of proposed Transparency rule R 2022-01?? Please review the situation with Michael Walker and other members of the Rulemaking "Team".

My next letter to the Governor, DSHS or other State Agencies will include this matter noted above. Response please. It appears OIC just points the finger at each other. Not a "Best Practice" at all!

Let's get these matters resolved in accordance with OIC Mission to protect consumers like us. Again I must ask you, "no more delays or excuses Please"! It's irresponsible and wrong to keep putting off important matters that harm WA State Insurance Consumers.

Vernon Dwight Schrag

Interested Party - WA LTC Policyholder
1106 108th Ave NE #302
Bellevue, WA 98004
425-443-7958

----- Original Message -----

From: VERNON SCHRAG <dwights30@comcast.net>
To: "jamila.thomas@gov.wa.gov" <jamila.thomas@gov.wa.gov>
Cc: "Walker, Michael (OIC)" <Michael.Walker@oic.wa.gov>, "Jesse.Wolff@oic.wa.gov" <Jesse.Wolff@oic.wa.gov>
Date: 06/03/2022 11:57 AM
Subject: URGENT ACTION REQUEST LTR - Governor Jay Inslee June 1, 2022
re: OIC Rulemaking Hearings R 2022-01

Dear Chief of Staff Thomas: cc: OIC Draft-Rules Coordinator
Michael Walker

Please review two (2) pdf files that provide Public record-file copies to Governor Inslee for timely response.

A 5 pages letter (copy attached) was mailed USPS but goes to a PO Mailbox. Important matters for Urgent Action.

Deadline Date for WA OIC Transparency R 2022-01 Draft Rule Hearings
June 14, 2022 requires Governor's actions.

Thank you.

Sincerely,

Vernon Dwight Schrag
Interested Party - WA LTC Policyholder
1106 108th Ave NE #302
Bellevue, WA 98004
425-443-7958
email: dwights30@comcast.net

Fwd: URGENT ACTION REQUEST LTR - Governor Jay Inslee June 1, 2022 re: OIC Rulemaking Hearings R 2022-01

To Robert.Solano@oic.wa.gov <robert.solano@oic.wa.gov> Copy MichaelW@oic.wa.gov <michaelw@oic.wa.gov> • Jesse.Wolff@oic.wa.gov <jesse.wolff@oic.wa.gov> • Cameron.Akita@dshs.wa.gov <cameron.akita@dshs.wa.gov>

Dear Analyst Solano: FOR PUBLIC RECORD

**Attn: WA OIC Rulemaking Comments
R 2022-01 Hearings 6-14-2022**

See memo to Governor Inslee w/attached documents. I heard from Michael Walker on Wednesday as follows: (quote)

"Additionally, the consumer complaint process is separate from rulemaking. Please contact your assigned consumer complaint analyst if you have any additional information for your consumer complaints or if you are requesting for additional agency actions to be taken."

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Let's get these matters resolved in accordance with OIC Mission to protect consumers like us. Again I must ask you, "no more delays or excuses Please"! It's irresponsible and wrong to keep putting off important matters that harm WA State Insurance Consumers.

Vernon Dwight Schrag
Interested Party - WA LTC Policyholder
1106 108th Ave NE #302
Bellevue, WA 98004
425-443-7958

----- Original Message -----

From: VERNON SCHRAG <dwights30@comcast.net>

To: jamila.thomas@gov.wa.gov

Cc: Walker, Michael (OIC), Jesse.Wolff@oic.wa.gov

Date: 06/03/2022 11:57 AM

Subject: URGENT ACTION REQUEST LTR - Governor Jay Inslee June 1, 2022 re: OIC Rulemaking Hearings R 2022-01

Dear Chief of Staff Thomas:

cc: OIC Draft-Rules Coordinator Michael Walker

Please review two (2) pdf files that provide Public record-file copies to Governor Inslee for timely response.

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Deadline Date for WA OIC Transparency R 2022-01 Draft Rule Hearings **June 14, 2022 requires Governor's actions.**

Thank you.

Sincerely,

Vernon Dwight Schrag
Interested Party - WA LTC Policyholder
1106 108th Ave NE #302
Bellevue, WA 98004
425-443-7958
email: [dwights30@comcast.net](mailto:dwrights30@comcast.net)

-
- Governor Inslee Ltr - Rulemaking-OIC Kreidler 6-1-2022_DS.pdf (72 KB)
 - WA OIC JUNE 2022 Rules Request Comments_Walker.pdf (495 KB)

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#); [Wolff, Jesse \(OIC\)](#); [Solano, Robert \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#)
Subject: INTERESTED PARTY COMMENTS - Transparency in insurance underwriting prepublication draft posted FOR PUBLIC RECORD 6-4-2022
Date: Saturday, June 4, 2022 6:57:05 AM
Attachments: [OIC Analyst Solano URGENT ACTION REQUEST LTR - Governor Jay Inslee June 1, 2022 re OIC Rulemaking Hearings R 2022-01 DSRecordCy.pdf](#)

External Email

Attached Document - Include in **PUBLIC RECORD FILE** Comments for R 2022-01 Consumer Interested Party inputs (pdf file attached).

Recommend discussions with entire OIC "Team" prior to Public Hearings ZOOM date of 6-14-2022 as noted per comments attached.

Also recommend review with **OIC Public Affairs and OIC Legal too**. And ... Please provide a copy to them, if practical.

ALL elements of attached memo are relevant and important to OIC Mission integrity; and ethical-standards of OIC Rulemaking for all future years in WA State. Important matters for all employees of WA State OIC, ... now and for future protections of LTC Insurance Consumers.

Sincerely,
Vernon Dwight Schrag
Interested Party - LTC Insurance Policyholder
Bellevue, WA 98004

For Public Record
Attn: OIC Rulemaking Request
R 2022 - 01

Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004

June 1, 2022

Attn. OIC: Michael Walker
302 Sid Snyder Ave. SW
Olympia, WA 98504

Subject: Consumer Protections - WA OIC Mission-Failure

Dear OIC Analyst Parker:

Attachments 4 pages/enclosures are per commitment to provide you a USPS delivered letter outlining our extreme concerns over the way OIC Kreidler and your "Team members" have dealt with "Transparency in Rulemaking" deliberations for LTC Insurance. Be assured we expect to request a full and complete accounting of the matter via FOIA requests; and ask for detailed investigations into what's going on at WA OIC.

Information that both you and Robert Solano provided doesn't explain nor offer any reasonable or professional levels of "Transparency" into questionable practices and procedures for WA OIC Rulemaking efforts being considered to protect WA Insurance Policyholders. We find the past eight (8) years of LTC complaints about Genworth/GLIC policy to be totally disregarded by OIC, including our current issues with your OIC "team". A deplorable set of circumstances that should never be repeated again in WA State.

Specific questions April 11, 2022 to you and Jesse Wolff about the Scope of scheduled Transparency Rulemaking were clear. Specifically when we queried asking if Long Term Care Insurance was part of R 2022-01. You talked to me via phone; and then replied in writing on April 12, 2022 about other questions but avoided LTC matters. Your actions pursuant to that memo have led me to believe there was not an intention in WA OIC Rulemaking Draft reviews to assess or consider "Transparency" for LTC Insurance in WA State. If so that is a very poor decision on your part, even reckless. That only makes matters worse. It doesn't solve anything; and could void OIC's entire effort.

Please review these important matters and concerns with the Rulemaking Team. We strongly urge inclusion of Long Term Care Insurance in the Draft. Alternatively halting your Hearing process completely to put emergency actions, WA State legal and regulatory steps being set in place.

Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag

Interested Party - OIC Transparency Rulemaking R 2022-01

encl. 4 pp.

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#); [Wolff, Jesse \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#); [Solano, Robert \(OIC\)](#)
Subject: Fwd: Transparency in insurance underwriting prepublication draft posted PUBLIC RECORD
Date: Saturday, June 4, 2022 2:04:30 PM
Attachments: [WA OIC JUNE 2022 Rules Request Comments Walker.pdf](#)
[OIC Michael Walker Ltr - OIC Kreidler Rulemaking 6-1-2022DS.pdf](#)

External Email

Rules Coordinator, **PUBLIC RECORD FILE**

Schrag - USPS Cover Letter enclosed pdf-files w/Comments for OIC Rules Committee review. Mailing includes these five pages attached.

Incorporate in Rulemaking Comments for June 14, 2022 Transparency Hearings-ZOOM Meeting/Comment Session

Strongly urge action to incorporate Long-Term Care Insurance in Draft Transparency reforms-approval sessions.

FYI - OIC decisions are already underway to allow/approve next Insurance Company submittals/rounds of exorbitant, unethical WA State Policy-cost increases for 2022-2023 LTC Policies by corrupt Insurers such as GLIC/Genworth. WA Policyholders will be greatly harmed.

Take action now, in June, to fix this unbelievable WA OIC fiasco.

... Then we can all take a much needed break for our summertime relaxation. Okay?? Or not?

Thank you.

Vernon Dwight Schrag
Interested Party
Insurance Policyholder
Bellevue, WA 98004

----- Original Message -----

From: VERNON SCHRAG <[dwights30@comcast.net](mailto:dwrights30@comcast.net)>
To: "MichaelW@oic.wa.gov" <MichaelW@oic.wa.gov>
Cc: "Jesse.Wolff@oic.wa.gov" <Jesse.Wolff@oic.wa.gov>
Date: 06/01/2022 4:25 PM
Subject: Transparency in insurance underwriting prepublication draft posted

Dear Rules Coordinator:

Attached Public Record File Comments attached. For upcoming Hearings.

Letter via USPS will also be mailed to your attention; and copies to WA Governor and WA DSHS as noted.

Thank you.

Vernon Dwight Schrag
Interested Party
Insurance Policyholder
Bellevue, WA 98004

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#); [Walker, Michael \(OIC\)](#); [Wolff, Jesse \(OIC\)](#)
Cc: [Solano, Robert \(OIC\)](#)
Subject: Transparency in insurance underwriting prepublication draft posted PUBLIC RECORD
Date: Sunday, June 5, 2022 4:08:31 PM
Attachments: [Rules Team - Walker Ltr - OIC Kreidler 6-5-2022DS.pdf](#)
[oic-org-chart 8.pdf](#)

External Email

Dear Analyst Walker: PUBLIC RECORD FILE

Today's comments attached pdf file letter (3 pp) to your attention for your "Team" to review AND consider.

Please include these "Interested-Party" comments into the public record files for R 2022 - 01 Transparency Rulemaking.

When and if this proposed "Rule" reaches stage CR-103 I'll be providing OIC a list of several hundreds of small and medium businesses who deserve consideration. Not just LTC lobbyists or LTC Sales Agents.

FYI - Thousands of people and their families are impacted by lack of LTC Transparency and lack of Ethical Standards in the matter of Genworth-GLIC price-increases to WA Policyholders. OIC has not addressed these matters. Time to act.

Copies of this memo will also be provided to OIC Leaders on the pdf file Org-Chart as well. They need to be aware too in light of Transparency in Rulemaking. I've already noted that John Haworth is part of the task group so he can read this copy.

Hopefully your "Team" can get professional help they need/deserve to carry out the MISSION assigned to you.

Thank you.

Vernon Dwight Schrag
Interested Party
WA Insurance Policyholder
Bellevue, WA 98004
425-443-7958

Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004

June 5, 2022

Attn. OIC: Michael Walker
302 Sid Snyder Ave. SW
Olympia, WA 98504

FOR PUBLIC RECORD

Subject: WA OIC R 2022-01 Rule Team Mission-Failures

Dear OIC Analyst Walker:

This document is for “Interested Party Comments” for ZOOM Meeting of June 14, 2022. I’d like to urge you to discuss prior to that public session with all members of your Rules Team.

I’ll also provide this same letter to key impacted Senior Staff Members of Kreidler’s Legal Affairs, Consumer Protections and Criminal Investigations Unit. The issues previously provided to the Rules Team, Governor Inslee, AGO Consumer Protections and DSHS Bill Moss will be followed through until fully resolved. Your “team” has access to ALL of that information for Public Record as submitted by Vernon Dwight Schrag.

For this “Comments Record Document” however, I’ve a simple request for benefit of all OIC people who participated so far:

- A. Read this entire letter very carefully; and reflect on your individual actions as part in the Draft Rulemaking efforts. Take full account for participation and following the intent and letter of each task given.
(See page 2)
- B. If and when a FOIA request is made to OIC Operations (Michael Wood) please consider what you did or didn’t do for R 2022-01 in terms of professionalism and taking accountability for roles each member was assigned. And the roles of OIC Consumer Protection.
- C. Take careful notes while this Rulemaking Draft is moving towards the CR-103 notice stage to be shared with the public. Make every effort to be Fully Transparent going forward. Review your Mission.
- D. If anyone determines they should recuse themselves or wishes to bring others with more expertise into the process, do so. Be ethical.

Excerpts: Information provided per R 2022-01 Charter Document File

Draft the rule. An agency-wide team drafts the rule, which is then shared publicly. We often hold stakeholder meetings to go over the proposed changes and seek comments from the public. This process can take several months if it's necessary to release several drafts.

File proposed rulemaking notice (CR-102). The DIC shares the [proposed rule with the public](#).

Accept public comments:

Public hearing is held to receive feedback on the rule from the public. Throughout the process, we consider all public comments and frequently make changes based on those comments. We respond to all comments at the end of the rulemaking process using a Concise Explanatory Statement (CES). During this time, we also consider whether the rule has a significant impact on small businesses.

File a rulemaking order to adopt the rule (CR-103). Once the rule is finalized we file a final form, a CR-103, with the code reviser. Most rules are effective 31 days after being filed.

Rule Team Members - Attendees:

- **Rule team members are selected to serve on rule teams for specific reasons, including their subject matter expertise, role in implementing the rule when complete, and serving as a liaison to their division.**

Rules team members are expected to –

- **Communicate important information and issues identified between the Rule Team and their divisions.**
- **Provide their subject matter expertise, contribute to the overall development of the rule, and ensure regulations abide by the scope of the rule as determined through consensus.**

TEAM

Andrew Davis, Policy Analyst
 Ned Gaines, Forms Compliance Manager
 Mary Kay Schaefer, Functional Program Analyst 3
 Manabu Mizushima, Actuarial Analyst 2
 Darryl Colman, Attorney Manager
 Jason Carr, Chief Market Analyst
 John Haworth, Acting Deputy Company Supervision
 Amy Teshera, Functional Program Analyst 4
 Stephanie Marquis, Media and Outreach Manager

Commissioner Kreidler has mandated that every rule meet strict quality standards, including: (Read the Quality Standards, e.g. "OIC has authority to adopt the rule" (etc.) ... OIC rules are consistent with the mission and goals of the agency".

Please review these important matters and concerns with the Rulemaking Team. We strongly urge inclusion of Long Term Care Insurance in the Draft. Alternatively halting your Hearing process completely to put emergency actions, WA State legal and regulatory steps being set in place.

Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag

Interested Party - OIC Transparency Rulemaking R 2022-01



OFFICE of the
**INSURANCE
COMMISSIONER**
WASHINGTON STATE

Org Chart updated: 11/01/2021

**Commissioner
Mike Kreidler**

**Chief Deputy Commissioner
Mark Dietzler**

**OIC Leadership Staff
Contacts
R 2022 - 01 LTC Issues**

Company Supervision

John Haworth (acting)

Financial Examination
Market Conduct Oversight
Financial Analysis
Holding Company
Company Licensing
Rehabilitation
Liquidation

Consumer Protection

Todd Dixon

Consumer Advocacy
Producer Licensing & Oversight Statewide
Health Insurance Benefits Advisors (SHIBA)

Legal Affairs

Charles Malone

Enforcement Actions
Legal Interpretation of Insurance Code
Compliance Plans
Administrative Investigations

Operations

Michael Wood

Human Resources
Project Management
Information Services
Fiscal
Public Records
Facilities
Office Support
Hearings

Policy & Legislation

Bryon Welch

Legislative Liaison
Policy Development
Rules Development
Economic Analysis

Public Affairs

Stephanie Marquis (acting)

Media Relations
Web Services
External Communications
Public Involvement

Rates, Forms, & Provider Networks

Molly Nollette

Actuarial Services
Life & Disability
Property & Casualty
Health Care
Small Pharmacy Reimbursement Appeals

Criminal Investigations Unit

Phil Comstock

Organized Insurance Fraud
Public Anti-Fraud Outreach

Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004

June 1, 2022

Attn: Assistant Secretary ALTSA Bill Moss
Complaint Resolution
DSHS Constituent Services
Box 45131
Olympia, WA 98504-45131

Subject: **URGENT ACTION REQUEST**

Re: Consumer Protections - WA OIC Commissioner Failures

Dear Assistant Secretary Moss:

Please review the attached urgent request to Governor Inslee. The matter has become urgent due to highly questionable practices and ethics lapses at WA OIC Kreidler's organization.

Thank you for your valuable leadership at DSHS. Your record is impeccable. All 1500 of your ALTSA staff received the Department of Social and Health Services Secretary's Award for National Excellence in recognition of national leadership in the provision of home and community support services.

Jilma Meneses certainly recognizes the long history of leadership successes at DSHS. Please consider the wrongful Elder Abuse and unacceptable State practices with the situation that exists now for WA State Seniors holding Long Term Care insurance policy plans of GLIC/Genworth. This company should NOT be doing business in WA State.

Several DSHS employees were supportive in helping us to address the issues with OIC. Actions ranged from sending Fax information to WA OIC, as well as making several written recommendations for us to submit complaints to the AGO Consumer Protections office and/or involve Governor Inslee in the matter. We did both and will continue forward until suitable protections are accomplished for WA State consumers, taxpayers and voters.

However, to date nothing has been done to obtain a commitment for resolution. OIC Kreidler's Insurance policy failures directly harm Senior's like us. Insurance fraud, corruption and Elder Abuse are unacceptable for WA State residents, taxpayers and voters. DSHS' actions are vital to all of us.

Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag

Interested Party - OIC Transparency Rulemaking R 2022-01

encl. 5 pp.

Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004
425-443-7958

June 1, 2022

**Attn: OIC Rulemaking Request
R 2022- 01**

To: Governor Jay Inslee
Office of the Governor
PO Box 40002
Olympia, WA 98504-0002

cc: DSHS Asst. Secretary Moss

Subject: URGENT ACTION REQUEST

Re: Consumer Protections - WA OIC Commissioner Failures

Dear Honorable Governor Inslee:

We're enclosing four (4) pages Approaching Deadline request regarding OIC Kreidler's Transparency-Insurance-Rulemaking Hearings on June 14th.

Commissioner Kreidler's Staff totally disregarded WA State Long Term Care Policyholders in their Draft Ruling per R 2022-01. LTC must be included.

Leadership for Kreidler's Rulemaking Team-Michael Walker has been unresponsive despite months of attempts to urge OIC's using reasonable ethical standards. Commissioner Kreidler's PREPROPOSAL STATEMENT OF INQUIRY (per enclosure) is badly flawed and incomplete. Not Transparent.

You may also note our May 20, 2022 letter to you in this important matter. We were referred to your office by DSHS for resolution. Please take appropriate steps to rectify matters of discrimination against WA Senior Long Term Care Insurance Policyholders. OIC is irresponsibly failing to protect Seniors.

State officials, including AGO Consumer Protection office appear to disregard Kreidler's "business-as-usual" in Policy matters, failing both OIC employees and use of unethical procedures in Rulemaking. FOIA actions to be taken.

OIC Kreidler's Insurance policy failures have directly harmed Senior's like us. Further Insurance fraud, corruption and Elder Abuse are unacceptable for WA State residents, taxpayers and voters. Your actions are vital to all of us.

Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag

Interested Party - OIC Transparency Rulemaking R 2022-01

encl. 4 pp.

Vernon D. Schrag 1106 108th Ave NE, Apt 302 Bellevue WA 98004

Subject: WA OIC (R2022-01) Comments-Action in Rulemaking DRAFT Rules

To: Michael Walker
302 Sid Snyder Ave. SW
Olympia, WA 98504
Email: rulescoordinator@oic.gov

June 1, 2022

Cc: Washington State Governor Inslee
DSHS Assistant Secretary Bill Moss

When Rulemaking takes place that disregards or avoids addressing most essential elements of scope, this is called a "Fatal Flaw". All government agencies know this terminology because it puts Consumers, Taxpayers and State Agencies at risk.

Insurance company Lobbyists intervened with Kreidler for inactions/poor policies, practices and standards sued WA OIC (2017) An Administrative Judge ruling was made; and OIC lost the case. Best Practices were not in place for WA OIC.

On February 1, 2022 a formal Scope Document of R 2022-1 was issued by Kreidler; and this too left out vital parts of OIC Mission protections for Senior Citizens with Long Term Care Insurance. Legal Analysts and Rulemaking Staff must revise and remake their Draft proposal to incorporate Long Term Care protections.

Many members of the Transparency Review Team should have pointed out the flaws. FOIA requests may be needed to determine standards of conduct.

Other businesses and corporations doing business in WA State have rights too. We plan to involve them and their Lobbyists and Executives in getting timely, full resolution. We have a broad network of Lobbyists that work for Consumer Protections. DSHS has accountability as well. WA Companies like The Key; MBK; Homecare; Nursing Facilities/Senior Residences. Their employees, voters and taxpayers whose role and employment focuses on serving needs of their Elderly WA residents also have vested interests. Too many residents of WA are in harms way.

GLIC cannot continue to defraud or abuse their LTC Policyholders any longer. WA OIC must act. No more kicking-the-can or blaming other WA Agencies.

It's irresponsible and a tragic mistake to exclude Long Term Care (LTC) from OIC-Transparency Policymaking and Rulemaking Authority. R 2022-01 Hearings make it apparent WA OIC Agency Staff cannot perform its official State Mandated responsibilities in an ethical fashion. Immediate change in OIC Staff practices is required; and future Professionalism is essential.

Three Key Factors have come into clear focus for WA State OIC

Vernon D. Schrag 1106 108th Ave NE, Apt 302 Bellevue WA 98004

1. OIC' Disregard for broad Segments of WA State Consumer-Insurance Policyholders, namely those excluded from Rulemaking Hearings.
2. OIC' Disregard for Consumer Advocacy Protections by Commissioner Kreidler. NOT providing development or suitable training of Staff has a serious consequences for Insurance Policyholders.
3. OIC Failure to take OIC's Mission into account in carrying out day-to-day operations such as pricing submittals; and reviews of Insurance Company submittals for enormous annual policy pricing (over 100%) increases.

OIC's Mission

To protect consumers, the public interest, and our state's economy through fair and efficient regulation of the insurance industry. This mission supports OIC's vision of being recognized as a model for consumer protection and state insurance regulation by:

- Protecting and educating consumers,
- Promoting a healthy insurance environment,
- Managing resources and leverage technology to ensure effective and efficient operations; and
- Attracting and developing a capable, engaged, valued, and diverse workforce.

Furthermore for attention of OIC-Rulemaking Staff & Legal Analysts:

- a. Broad evidence and facts were submitted to the Rulemaking Members.
- b. Insurance Lobbyists provided written files outlining WA OIC's past practices.
- c. OIC's Rulemaking Document February 1, 2022 (enclosure 2pp) discloses narrow focus; and lack of consideration for WA State interested party disclosures to obtain necessary and vital information. Transparency is lacking in the Rulemaking process itself. Does NOT seek consumer inputs.
- d. Other impacted State Agencies, DSHS and others were left out of the Rulemaking. This appears to have been done purposefully as shown in OIC Documents published OIC-Rulemaking actions.
- e. Letters provided for Public Record came only from Insurance Lobbyists.

Request Action per Above to include Long Term Care Policies in DRAFT PROPOSAL.


Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag
Interested Party – OIC Transparency Rulemaking

enclosure 2pp

Enclosure: February 1, 2022 Preproposal Inquiry

	PREPROPOSAL STATEMENT OF INQUIRY	<table border="1"><tr><td>OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED</td></tr><tr><td>DATE: February 01, 2022 TIME: 8:04 AM WSR 22-04-091</td></tr></table>	OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED	DATE: February 01, 2022 TIME: 8:04 AM WSR 22-04-091
OFFICE OF THE CODE REVISER STATE OF WASHINGTON FILED				
DATE: February 01, 2022 TIME: 8:04 AM WSR 22-04-091				
CR-101 (October 2017) (Implements RCW 34.05.310) Do NOT use for expedited rule making				
Agency: Office of the Insurance Commissioner				
Subject of possible rule making: Insurance Underwriting Transparency				
Insurance Commissioner Matter R 2022-01				
Statutes authorizing the agency to adopt rules on this subject: RCW 48.02.060 for the Commissioner's general rulemaking authority to implement RCW 48.01.030, RCW 48.18.180, RCW 48.18.2901, RCW 48.18.292, RCW 48.18.480, RCW 48.18.545, RCW 48.19.020, RCW 48.19.035, and RCW 48.30.010.				
Reasons why rules on this subject may be needed and what they might accomplish: Insurance consumers are not provided with full disclosure and complete transparency from insurers for adverse actions, rate changes, or the factors that insurers consider in determining premiums. This prevents the insurance consumer from making informed decisions on their insurance policies, renewals, coverages, and pricing. This also causes the consumer to experience unfairness and deception in these transactions, where insurers are at a significant advantage with expert level knowledge of the insurance underwriting process, including how heavily and which rating factors are considered. Allowing insurers to make rate changes or to take adverse actions against consumers who are at a significant disadvantage in these dealings, where there is also lack of full disclosure, complete transparency, and fairness, results in unfair and deceptive trade practices.				
The Office of the Insurance Commissioner has received consumer complaints that indicate insurers have used unfair and deceptive practices involving a lack of complete transparency in rating premiums for insurance consumers. The unfair and deceptive practices operate to the detriment of the consumer, who is uninformed not only on the factors considered and the insurance underwriting process, but also as to how their insurer scrutinized or assessed each variable. Requiring insurers to provide an itemized notice to the consumer, disclosing the exact changes in a consumer's insurance, including costs, and the entirety of factors considered for adverse impacts, will achieve complete transparency, honesty, and fairness in these transactions.				
Currently insurers must provide notice stating the significant factors of the credit history or insurance score that resulted in adverse actions against a consumer based in whole or in part on credit history or insurance score. However, the adverse action notice provided by insurers under RCW 48.18.545(2), does not sufficiently disclose the totality of factors or underwriting process decisions in adequate detail, and it does not achieve complete transparency in all insurance transactions. Insurers do not provide full disclosure to consumers containing honest and transparent reasons for their insurance product prices, nor do they provide any exact information on other factors considered that can result in adverse impacts. This causes confusion for consumers, while creating the potential for deception and unfairness in associated insurance transactions. Consumers are unfortunately left unaware of the factors being considered by insurance companies in setting their insurance premiums and rates. This presents complications for all affected parties with insurer actions against the consumer, such as determining whether the statutory rate standards and prohibitions on discrimination are being met (RCW 48.18.480 and RCW 48.19.020).				
Consumers need to be provided with full disclosure and complete transparency, if their insurers are considering factors that result in adverse impacts or determine premiums and rates for insurance coverage, which at times can be statutorily mandated. In addition to complete transparency and full disclosure, consumers need access to complete information about their rates to determine if they are unfairly discriminatory or excessive, which are both prohibited under the Insurance Code. Insurers should provide consumers with an itemized notice disclosing their rating factors and the weight of consideration for each variable in insurance underwriting. The OIC recommends using the plain talk guidelines outlined by Executive Order 05-03 under Governor Christine Gregoire. This will afford consumers protection in the form of complete transparency and fairness in insurance underwriting, as well as the ability to make informed decisions on acquiring insurance, renewing policies, administering coverages, improving insurability, and managing insurance costs.				
The business practice of insurers taking actions against consumers, without disclosing or giving notice to the exact factors and actuarial reasons for doing so, is deceptive. Permitting insurers to veil their underwriting practices with the guise that they				

page 2 below

fairness in insurance transactions. The lack of complete transparency also allows insurers to take adverse actions, such as increasing insurance costs, without disclosing the exact factors and considerations that negatively impacted consumers.

The business of insurance, and the Insurance Code, are both conditioned upon the belief and intent that insurance is affected by public interest, which requires all affected parties to act with good faith, abstain from deception, and practice honesty and equity in all insurance matters. The duty of preserving the integrity of insurance is upon the insurer, the insured, their providers, and their representatives. The Office of the Insurance Commissioner's mission is to protect consumers, the public interest, and Washington's economy through the fair and efficient regulation of the insurance industry. * * *

Therefore, the Commissioner is considering rulemaking that will seek to achieve complete transparency in insurance underwriting by requiring insurers to provide notices to consumers for all factors evaluated in any associated insurer actions, which must include an itemized disclosure of all variables considered in underwriting, as well as the proportionality or weight at which those factors were evaluated. The required notice should provide the consumer with information indicating the exact changes in their insurance, whether related to costs, coverages, or insurer actions against the consumer. This rulemaking will attempt to accomplish complete transparency in underwriting by defining and clarifying the scope of insurer responsibility for adverse actions, premiums, rate changes, and consumer notice requirements.

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 March 1, 2022 * * *

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

Name: Michael Walker	(If necessary)	* * *
Address: 302 Sid Snyder Ave., SW, Olympia WA 98504	Name:	
Phone: 360-725-7036	Address:	
Fax: 360-586-3109	Phone:	
TTY: 360-586-0241	Fax:	
Email: rulescoordinator@oic.wa.gov	TTY:	
Web site: www.insurance.wa.gov	Email:	
Other:	Web site:	
	Other:	

Additional comments:

Date: February 1, 2022

Name: Mike Kreidler

Title: Insurance Commissioner

Signature:



From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#); [Wolff, Jesse \(OIC\)](#); [Walker, Michael \(OIC\)](#)
Cc: [Solano, Robert \(OIC\)](#)
Subject: Fwd: Commissioner Kreidler Rules Team - Transparency Rulemaking R 2022-01
Date: Tuesday, June 7, 2022 6:44:42 AM
Attachments: [OIC Marquis 2021-Insurance companies, commission trade barbs over plan to ban credit rating pricing Washington Jeremy Lott-Thecentersquare.com.pdf](#)
[Transparency p 2-OIC Rulemaking Proposal February 1, 2022 Walker.pdf](#)

External Email

Attn: OIC Rules Coordinator and Rules Team

You will be receiving USPS documents in the mail this week. Read carefully.

FYI - Started the process of informing Public Media. Trying to be totally transparent in my own efforts to resolve LTC pricing policy issues and failings of WA OIC to properly and transparently include Policyholders and effected WA Businesses in the Rulemaking comments processes for R 2022-01.

Very important that WA OIC conduct Rulemaking in an ethical and above-board manner. Do the best you can to carry out OIC Mission goals for Consumers.

Pass it on to Rules Team Member Stephanie Marquis. She will be playing a key role in OIC Public Affairs to explain why, what, how and who. Federal agencies may need to become involved depending on the seriousness of OIC Failures.

WA State Legislators should not have to step into the breach; and do WA OIC's Mission Role. Use BEST PRACTICES.

PUBLIC RECORD FILE cc: Robert Solano

VERNON DWIGHT SCHRAG
Interested Party - OIC Hearings
Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

----- Original Message -----

From: VERNON SCHRAG <dwights30@comcast.net>
To: "jlott@thecentersquare.com" <jlott@thecentersquare.com>
Date: 06/06/2022 2:21 PM
Subject: Commissioner Kreidler Rules Team - Transparency Rulemaking R 2022-01

Dear Jeremy Lott: Greetings! I truly enjoy your reporting on so many issues.

FYI - I reached out to Seattle Times in late May but got no response. Not sure why??

OIC Commissioner Kreidler is at it again.

Transparency Rules Hearings in Olympia are taking place June 14th via ZOOM meeting. Interested parties can sign up to participate. Almost no info/word is being released for Public comments (none). This is by design; and I have the initial February Notice that Kreidler provided his Senior staff.

Media Relations - **Public Affairs, Stephanie Marquis** is assigned to the "Rules Team".

Here's my info sent to Seattle Times:

.....
I've filed PUBLIC RECORDS COMPLAINTS to OIC Commissioner Kreidler's Analyst/Legal Staff; and OIC Public Affairs.

Also sent Official Complaints to - **Governor Inslee; and WA AGO Consumer Protections in Seattle. Plus to Bill Moss at DSHS as well.**

Ongoing OIC Transparency-Rulemaking Hearings (R 2022-01) that began April 21 in Olympia via ZOOM failed to properly include Long Term Care Policyholders. Only me, since I just came upon the OIC official notice purely by chance.

I filed three different formal complaints in 2021/22 regarding a 114% Price Increase request for my Genworth/GLIC LTC policy. Thousands of WA State Senior's policies will be impacted. Many may drop their policies when the "sticker-shock" hits.

WA & Insurance Industry Lobbyists appear to be controlling the agenda for Kreidler's Transparency Hearings.

Retirement Care businesses and Home Care or Nursing Care businesses will be impacted; and at WA Taxpayer' expense. Kreidler knows this is a serious issue but will not address it.

OIC blames the State Legislature. Needs attention & good Investigative Journalism. We can discuss anytime you may choose.

I've filed a FOIA as well. Senior citizens are experiencing Elder Abuse in this process.

Lets talk soon. Thank you!

VERNON DWIGHT SCHRAG
Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

fairness in insurance transactions. The lack of complete transparency also allows insurers to take adverse actions, such as increasing insurance costs, without disclosing the exact factors and considerations that negatively impacted consumers.

The business of insurance, and the Insurance Code, are both conditioned upon the belief and intent that insurance is affected by public interest, which requires all affected parties to act with good faith, abstain from deception, and practice honesty and equity in all insurance matters. The duty of preserving the integrity of insurance is upon the insurer, the insured, their providers, and their representatives. The Office of the Insurance Commissioner's mission is to protect consumers, the public interest, and Washington's economy through the fair and efficient regulation of the insurance industry. * * *

Therefore, the Commissioner is considering rulemaking that will seek to achieve complete transparency in insurance underwriting by requiring insurers to provide notices to consumers for all factors evaluated in any associated insurer actions, which must include an itemized disclosure of all variables considered in underwriting, as well as the proportionality or weight at which those factors were evaluated. The required notice should provide the consumer with information indicating the exact changes in their insurance, whether related to costs, coverages, or insurer actions against the consumer. This rulemaking will attempt to accomplish complete transparency in underwriting by defining and clarifying the scope of insurer responsibility for adverse actions, premiums, rate changes, and consumer notice requirements.

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 March 1, 2022

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

	(If necessary)	* * *
Name: Michael Walker	Name:	
Address: 302 Sid Snyder Ave., SW, Olympia WA 98504	Address:	
Phone: 360-725-7036	Phone:	
Fax: 360-586-3109	Fax:	
TTY: 360-586-0241	TTY:	
Email: rulescoordinator@oic.wa.gov	Email:	
Web site: www.insurance.wa.gov	Web site:	
Other:	Other:	

Additional comments:

Date: February 1, 2022

Name: Mike Kreidler

Title: Insurance Commissioner

Signature:



From: [VERNON SCHRAG](#)
To: [Wolff, Jesse \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#); [Solano, Robert \(OIC\)](#)
Subject: Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Thursday, June 9, 2022 6:59:57 AM

External Email

Dear Jesse Wolff:

Please provide instructions to me via email for ZOOM session on how to raise my hand to speak to the Rules Team.

Last time there was ZOOM meeting, eighty-one people participated but only the three Lobbyists knew protocol to "Raise a Hand" to be recognized to speak.

This severely limited access for interested parties to participate. ... Again, lack-of-transparency-issues in OIC Rules Team methods, practices and procedures.

Thanks.

VERNON DWIGHT SCHRAG
Interested Party - OIC Hearings
Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#)
Cc: [Walker, Michael \(OIC\)](#); [Wolff, Jesse \(OIC\)](#); [Solano, Robert \(OIC\)](#)
Subject: R 2022-01 Rulemaking Comments and Actions
Date: Thursday, June 9, 2022 7:31:15 AM

External Email

OIC Rules Team M. Walker and Rules Team Members:

As of yesterday I provided AGO Consumer Protection in Seattle an agreement to use my files and records for their legal purposes relating to OIC Consumer Advocacy; and to GLIC-Genworth practices with WA State agencies (WA OIC) assigned Mission Responsibility to protect WA Insurance Policyholders:

"You have authorization for your Consumer Protection Division to send my correspondence, my letters and other complaint filings documents uploaded to WA OIC Consumer Advocacy staff, DSHS and others; and any associated materials to the GLIC business; and/or refer to other agencies or organizations as appropriate.

Specific documents are on file at OIC. Some involve FOIA Requests April 7, 2021; and documents we received from OIC as a result of our concerns and ongoing years of Consumer Complaints to Commissioner Kreidler."

PUBLIC RECORD

Action Step - We will submit a FOIA request to Operations Manager (Michael Woods) of Kreidler's Direct Reports to obtain details of why no Consumer Protections are to be established for WA State LTC Insurance Transparency.

We also hold Auto Insurance Policies; Homeowner's Insurance and other insurance products for our home, auto, personal property and business use in WA State. Our Consumer Interests are very broad in these OIC matters.

FYI - You have my approval to share this email "Transparent" Comments memo as part of ongoing documentation for WA OIC Rulemaking Members; as well as all past 2014 to 2022 Public Records complaints documents filed at OIC Consumer Advocacy Department. Thank you.

Sincerely,
Vernon Dwight Schrag
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#); [Solano, Robert \(OIC\)](#); [Wolff, Jesse \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#)
Subject: R 2022-01 Rulemaking Comments & Actions re: Further Comments & Recommendations
Date: Friday, June 10, 2022 8:03:24 AM
Attachments: [WA OIC JUNE 2022 Rulemaking Comments DS 6-10-2022.pdf](#)
[FALSE CLAIMS-ABUSE-WA OIC \(R 2022-01\)HEARINGSDDS17-2022.pdf](#)

External Email

OIC Rules Team Members:

The attached recommendations are made to correct deficiencies in Draft Rule.

I also requested that **OIC Independent Review Staff** look into GLIC Genworth via Chief Market Conduct Examiner.

This Draft-Rulemaking is vital and essential to correct deficiencies and lack of appropriate authority to do what is required in OIC Mission responsibilities.

If GLIC Genworth fails financially and goes bankrupt due to their own fraud practices, it will allow Insurance Guaranty to insure LTC policyholder payouts for insurance policies in force.

Consumer protections are in place in any case, no matter how poorly WA OIC conducts its essential Mission.

False Claims and Elder Abuse is an ongoing practice by GLIC at the present time for Policyholders of WA State. Outright lies and fraud are common practices. See attachment of recent events on Price-Increase sent to OIC for approval.

FYI - You have my approval to share this email "Transparent" Comments memo as part of ongoing documentation for WA OIC Rulemaking Members; as well as all past 2014 to 2022 Public Records complaints documents filed at OIC Consumer Advocacy Department. Thank you.

Sincerely,
Vernon Dwight Schrag
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

Vernon D. Schrag 1106 108th Ave NE, Apt 302 Bellevue WA 98004

Subject: WA OIC (R 2022-01) Public Comments-Action in Rulemaking DRAFT Rules

To: Michael Walker
302 Sid Snyder Ave. SW
Olympia, WA 98504

June 10, 2022

Cc: Washington State Governor Inslee
DSHS Assistant Secretary Bill Moss
WA AGO Consumer Protections Division

Request: Formal Review by Rulemaking Team Members and Senior OIC Leadership

OIC Rulemaking “Draft” fails to address Long Term Care; and puts many WA Seniors at risk of losing their LTC Insurance due to ridiculous/obscene levels of Annual-price increases. It appears this may actually be taking place via OIC’s intent and full knowledge of Rules Team Members for Insurance Rulemaking.

OIC Leadership has exhibited intent with “willful ignorance” of published facts about evolving situations taking place with GLIC-Genworth LTC pricing, abusive practices, and ongoing fraud and corruption.

No Insurance Business such as this should be allowed to issue policies in WA State. There are legal precedents, existing WA Laws and State Code, that allows for such firms existing in our State to be “taken over”; and assets protected for future use by Regulators.

Recommend OIC-Rules Team take following steps to correct these matters; and establish ethical and Mission-required Consumer Protections in R 2022-01 Scope:

- A. Add specific “Transparency wording” for **Annual-Disclosure-Reports** for use by WA Consumers. Use existing Rules already in place for enforcement.
- B. Define required written disclosures by ALL Insurance firms, including LTC Businesses selling policies in WA State. Disclose Federal or State Class Action lawsuits by Policyholders or Attorney Generals’ underway or pending with GLIC and others for illegal practices. Transparency is essential for regulation.
- C. OIC Issue of “Annual-Disclosure-Reports” by OIC to encourage and enable Public review and media scrutiny (publication by OIC Public Affairs).
- D. Conduct Full and Complete Review: OIC Complaint File Reference # 1676504.
- E. Meet with OIC Analyst Robert Solano to determine his knowledge of GLIC Genworth practices and pricing methods for LTC in WA State. Then meet with Analyst Cathy Dill to determine her knowledge; plus Stephanie Marquis to assure Public Affairs has the know-how to conduct Consumer Protections.

*Elder Abuse & False Claims

- 1 Contacts with Genworth/GLIC Hqs & WA State LTC Sales Agents has “proven to be worthless”. Denial of knowledge about FACTS & RECORDS
- 2 EXAMPLE: GLIC Attempted Sale of \$\$ Assets to CHINA Real Estate Firm
- 3 EXAMPLE: Letter Sent to Us re: Federal Class Action Lawsuit Decisions *“I didn’t know this has been sent out. ...Send me a copy”??*
- 4 WA Policy Agent: *“My Computer Program has mysteriously shut-off”??*
- 5 Customer Service Agent: *“My Computer Program shows no better options”? ... “So Sorry I couldn’t help you!”*
- 6 Recommend Best to **“Write a Letter”** to GLIC’s CEO? (What Purpose??)
- 7 GLIC WA LTC AGENT: “UNAWARE OF MAJOR 113% PRICE INCREASES”??

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#)
Cc: [Solano, Robert \(OIC\)](#); [Wolff, Jesse \(OIC\)](#); [Walker, Michael \(OIC\)](#); [Akita, Cameron \(DSHS/ALTA/HCS\)](#)
Subject: CONSUMER DISCUSSION TOPICS - Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Saturday, June 11, 2022 9:22:19 AM
Attachments: [JUNE 14TH DO THE RIGHT TRANSPARENCY ACTIONS_DS 6-11-2022.pdf](#)

External Email

Dear Analyst Walker: FOR PUBLIC RECORD

Attached pdf file doc outlines topics for my use in providing brief Consumer Inputs on Tuesday morning to Rulemaking Team members.

But more may be added to your Public Record files later after the meeting, ... depending on Hearing issues discussed.

When I've finished, I would welcome any questions or concerns from the Rulemaking Team.

And I may choose to expand or add more topics just in case Insurance-Lobbyists or OIC Officials decide to push back against need for Transparency Rules.

This is the time to make sure OIC does its Mission. Too many WA residents, voters and taxpayers are being harmed.

Especially noted below are factors of importance that are in the full view of most OIC employees, DSHS and others like APCIA/NAMIC.

Full consideration of ALL facts on record are very important to consumers, plus WA State Government officials and agencies like DSHS:

A 50-State's Federal Class Action Lawsuit in VA was settled in February 2022 against GLIC-Genworth for Long Term Care legal violations against its LTC Policyholders. But WA State LTC Policyholders, due to WA OIC's inaction or ethical lapses by OIC personnel, this "Federal Settlement" only caused greater harms to Washingtonians and State businesses.

Further, WA OIC was fully aware that GLIC was being investigated for Corporate Accounting practices using LTC policy Reserve Funds to enrich Senior Executive salaries. None of this information was provided by OIC to WA Policyholders; and if WA AGO's office or HHS wasn't apprised of GLIC LTC problems, this OIC-ethical lapse enabled losses of Consumer Protections in WA.

Failure of Kreidler's OIC systems, procedures and moral codes will cause great

financial harms to WA policyholders and businesses. Suitable Consumer Protections are not in place. GLIC-Genworth and other unethical insurance sales businesses or agents in WA State take advantage of OIC's lapses in Mission focus to protect WA consumers.

Surprise-billings occurred without transparency, embroiling OIC employees in these procedures that harmed WA consumers. In 2021 and 2022, with OIC actuaries and analysts directly involved, GLIC proposed 82% price hikes; and in 2022 announced further 114% rate-hikes for CY 2022-2023 in WA State.

Sincerely,
Vernon Dwight Schrag
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

OUTLINE DISCUSSION POINTS FOR OIC PUBLIC HEARINGS INPUTS

JUNE 14TH DO THE RIGHT TRANSPARENCY ACTIONS & I WILL SUPPORT YOU

You heard from thousands of Consumers before these Hearings. DO NOT FAIL!
BUT Transparency NEVER WAS considered IMPORTANT by OIC in 40-plus years
OIC mostly interacts with Lobbyists who speak ONLY for the Insurance Industry
TRY your Best to be MINDFUL of how RISKY OIC practices have NOW BECOME
In February you received your Rulemaking Team Assignments. Kreidler Signed.
THEN YOU decided in your FIRST DRAFT to exclude Long Term Care INSURANCE
LTC impacts not only the MOST VULNERABLE individuals but their Families too
AND MANY thousands of WA Businesses that provide services to the Elderly
DSHS employs MANY thousands who struggle each day helping vulnerable people
You DO have an opportunity TODAY to change the way things are DONE by OIC
Failure to act responsibly to perform Consumer Protections Mission will decide
Future of OIC is NOT Safe. Whether or NOT OIC SURVIVES as a WA State entity
Trade Secrets and Practices have NO PLACE in making decisions for Consumers
Trade Secret Practices are only for Business competition. NOT Consumer Protections
Last Friday we provided Michael Walker our BEST RECOMMENDATIONS
AND REQUESTED these be shared with ALL of YOU. I surely HOPE that happened??
YOU STILL have a chance to carry out your MOST VITAL MISSION
WE REQUESTED Governor Inslee take STEPS NOW to get GLIC OUT of WA
GLIC DISPLAYED ACTIONS cheating their Customers in WA State for a Decade
It was YOUR JOB, ... OIC's Mission to PROTECT US. ... BUT YOU DIDN'T DO THAT
YOU became aligned with Corruption and Fraud in OIC that MUST STOP ... TODAY!
Peoples LIVES are at risk. YOU CANNOT JUST KEEP DOING BUSINESS AS USUAL
Bring CONSUMERS into the Decision-Process in all FUTURE RULEMAKING. OR ELSE!

From: [VERNON SCHRAG](#)
To: [Welch, Bryon \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#)
Subject: WA POLICY & LEGISLATION INSURANCE: CONSUMER DISCUSSION TOPICS - Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Saturday, June 11, 2022 11:54:30 AM

External Email

Dear Policy & Rulemaking Chief Welch:

Attn: Bryon Welch, Policy and Rules Manager Washington Office of the Insurance Commissioner P.O. Box 40258 Olympia, WA 98504-0258

Today I encouraged Analyst Michael Walker to provide important information to you (see below).

I believe your current Rulemaking Draft is totally missing key, most important factors and considerations for Long Term Care.

I reviewed your proposed Legislative Rule Development Agenda for past years but find nothing for Protecting Long Term Care Consumers.

Would you be so kind as to suggest why R 2022-01 Draft disregards LTC Transparency. Thank you.

Sincerely,
Vernon Dwight Schrag
Bellevue, WA 98004
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

On 06/11/2022 10:23 AM VERNON SCHRAG <[dwights30@comcast.net](mailto:dwrights30@comcast.net)> wrote:

Analyst Walker: The information below will be sent today to WA AGO Consumer Protections Division in Seattle.

No further delays in Protections for WA State Long Term Care Insurance Consumers is acceptable, logical or ethical by OIC Staff.

You should consider forwarding information to Commissioner Kreidler; and especially to Bryon Welch of Kreidler's Policy and Legislation staff.

Within a brief period of time these matters could reach leaders who can and will act to protect consumers from OIC failures.

Very serious issue for Elder Abuse protections.

Sincerely,
Vernon Dwight Schrag
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

----- Original Message -----

From: VERNON SCHRAG <dwights30@comcast.net>

To: "RulesCoordinator@oic.wa.gov"

<RulesCoordinator@oic.wa.gov>

Cc: "Robert.Solano@oic.wa.gov" <Robert.Solano@oic.wa.gov>,

"Jesse.Wolff@oic.wa.gov" <Jesse.Wolff@oic.wa.gov>,

"MichaelW@oic.wa.gov" <MichaelW@oic.wa.gov>,

"Cameron.Akita@dshs.wa.gov" <Cameron.Akita@dshs.wa.gov>

Date: 06/11/2022 9:21 AM

Subject: CONSUMER DISCUSSION TOPICS - Interested Party
Public Hearings R 2022-01 June 14, 2022

Dear Analyst Walker: FOR PUBLIC RECORD

Attached pdf file doc outlines topics for my use in providing brief Consumer Inputs on Tuesday morning to Rulemaking Team members.

But more may be added to your Public Record files later after the meeting, ... depending on Hearing issues discussed.

When I've finished, I would welcome any questions or concerns from the Rulemaking Team.

And I may choose to expand or add more topics just in case Insurance-Lobbyists or OIC Officials decide to push back against need for Transparency Rules.

This is the time to make sure OIC does its Mission. Too many WA residents, voters and taxpayers are being harmed.

Especially noted below are factors of importance that are in the full view of most OIC employees, DSHS and others like APCIA/NAMIC.

Full consideration of ALL facts on record are very important to consumers, plus WA State Government officials and agencies like DSHS:

A 50-State's Federal Class Action Lawsuit in VA was settled in February 2022 against GLIC-Genworth for Long Term Care legal violations against its LTC Policyholders. But WA State LTC Policyholders, due to WA OIC's inaction or ethical lapses by OIC personnel, this "Federal Settlement" only caused greater harms to Washingtonians and State businesses.

Further, WA OIC was fully aware that GLIC was being investigated for Corporate Accounting practices using LTC policy Reserve Funds to enrich Senior Executive salaries. None of this information was provided by OIC to WA Policyholders; and if WA AGO's office or HHS wasn't apprised of GLIC LTC problems, this OIC-ethical lapse enabled losses of Consumer Protections in WA.

Failure of Kreidler's OIC systems, procedures and moral codes will cause great financial harms to WA policyholders and businesses. Suitable Consumer Protections are not in place. GLIC-Genworth and other unethical insurance sales businesses or agents in WA State take advantage of OIC's lapses in Mission focus to protect WA consumers.

Surprise-billings occurred without transparency, embroiling OIC employees in these procedures that harmed WA consumers. In 2021 and 2022, with OIC actuaries and analysts directly involved, GLIC proposed 82% price hikes; and in 2022 announced further 114% rate-hikes for CY 2022-2023 in WA State.

Sincerely,
Vernon Dwight Schrag
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

From: [VERNON SCHRAG](#)
To: [Welch, Bryon \(OIC\)](#)
Cc: [Walker, Michael \(OIC\)](#); [Akita, Cameron \(DSHS/AL TSA/HCS\)](#)
Subject: OIC RULEMAKING PRACTICES & INADEQUACIES - Harms to WA Insurance Consumers
Date: Sunday, June 12, 2022 7:50:35 AM
Attachments: [WA OIC POLICY & REG MGR WELCH 5pp -JUNE 12, 2022.pdf](#)

External Email

Dear Manager Bryon Welch: cc: Analyst Michael Walker. FOR PUBLIC RECORD

Corrupt "Business entity" such as GLIC-Genworth MUST NOT be allowed to conduct LTC Insurance sales in WA State.

"Fair and Efficient Insurance Industry" does NOT translate into corrupt, fraudulent and unethical Industry Business practices.

Pass it on to APCIA and NAMIC. They also have responsibilities to consider in WA State for "Best Practices" in LTC insurance.

Regardless of ongoing Rulemaking attempts by your Department, it now appears no protections will be put in place for Long Term Care Insurance in WA State. Direct harms to WA Policyholders is already occurring at this point in time. And getting worse.

Apparently your so-called "Rules Team" has reached a "consensus" that LTC is maybe not insurance at all? Brief them on the facts please. Very important that they all understand what role they are taking in WA State government.

Failure to act now will further harm taxpayers; and create more Elder Abuse against people needing healthcare services in full force.

I believe your "Team" does not comprehend or understand the risks to WA Seniors and vital businesses. Hundreds of State businesses will be impacted, including Nursing Homes; Eldercare; Home Care; Nursing Services and Senior Residence Staff. Tens of thousands of WA residents will be harmed and most elderly people will pay a steep price.

Recommend you discuss these matters with Bill Moss at DSHS. His WA Staff grasps the tragedies that are already going on in WA.

Failure to act now will further harm taxpayers; and create more Elder Abuse against people needing care and healthcare services in full force. Elder Abuse and Surprise Billings are illegal.

See attached PUBLIC RECORD FILE (5 pp) previously submitted to the "Rules Team" on both June 1 and June 10, 2022 for action steps to protect LTC Policyholders.

Thanks for taking the time to read these attachments with important matters for OIC Kreidler and yourself to resolve. I look forward to discussions with Commissioner Kreidler and yourself on resolving the inadequacies occurring in OIC Mission practices.

**Sincerely,
Vernon Dwight Schrag
Bellevue, WA 98004
Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958**

From: [VERNON SCHRAG](#)
To: [Walker, Michael \(OIC\)](#)
Subject: Fwd: CONSUMER DISCUSSION TOPICS - Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Saturday, June 11, 2022 10:23:46 AM

External Email

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Interested Party - Rulemaking Transparency/Insurance
Bellevue, WA 98004
425-443-7958

----- Original Message -----

From: VERNON SCHRAG <dwights30@comcast.net>
To: "RulesCoordinator@oic.wa.gov" <RulesCoordinator@oic.wa.gov>
Cc: "Robert.Solano@oic.wa.gov" <Robert.Solano@oic.wa.gov>, "Jesse.Wolff@oic.wa.gov" <Jesse.Wolff@oic.wa.gov>, "MichaelW@oic.wa.gov" <MichaelW@oic.wa.gov>, "Cameron.Akita@dshs.wa.gov" <Cameron.Akita@dshs.wa.gov>
Date: 06/11/2022 9:21 AM
Subject: CONSUMER DISCUSSION TOPICS - Interested Party Public Hearings R 2022-01 June 14, 2022

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Sincerely,
Vernon Dwight Schrag
Interested Party - Rulemaking Transparency/Insurance

Bellevue, WA 98004
425-443-7958

Subject: WA OIC (R 2022-01) Public Comments-Action in Rulemaking DRAFT Rules

To: Michael Walker AND **WA OIC Policy & Legislation Manager Bryon Welch**
302 Sid Snyder Ave. SW
Olympia, WA 98504

June 10, 2022

Cc: Washington State Governor Inslee
DSHS Assistant Secretary Bill Moss
WA AGO Consumer Protections Division

Public Record
5pp June 12, 2022

Request: Formal Review by Rulemaking Team Members and Senior OIC Leadership

OIC Rulemaking "Draft" fails to address Long Term Care; and puts many WA Seniors at risk of losing their LTC Insurance due to ridiculous/obscene levels of Annual-price increases. It appears this may actually be taking place via OIC's intent and full knowledge of Rules Team Members for Insurance Rulemaking.

OIC Leadership has exhibited intent with "willful ignorance" of published facts about evolving situations taking place with GLIC-Genworth LTC pricing, abusive practices, and ongoing fraud and corruption.

No Insurance Business such as this should be allowed to issue policies in WA State. There are legal precedents, existing WA Laws and State Code, that allows for such firms existing in our State to be "taken over"; and assets protected for future use by Regulators.

Recommend OIC-Rules Team take following steps to correct these matters; and establish ethical and Mission-required Consumer Protections in R 2022-01 Scope:

- A. Add specific "Transparency wording" for **Annual-Disclosure-Reports** for use by WA Consumers. Use existing Rules already in place for enforcement.
- B. Define required written disclosures by ALL Insurance firms, including LTC Businesses selling policies in WA State. Disclose Federal or State Class Action lawsuits by Policyholders or Attorney Generals' underway or pending with GLIC and others for illegal practices. Transparency is essential for regulation.
- C. OIC Issue of "Annual-Disclosure-Reports" by OIC to encourage and enable Public review and media scrutiny (publication by OIC Public Affairs).
- D. Conduct Full and Complete Review: OIC Complaint File Reference # 1676504.
- E. Meet with OIC Analyst Robert Solano to determine his knowledge of GLIC Genworth practices and pricing methods for LTC in WA State. Then meet with Analyst Cathy Dill to determine her knowledge; plus Stephanie Marquis to assure Public Affairs has the know-how to conduct Consumer Protections.

Subject: WA OIC (R2022-01) Comments-Action in Rulemaking DRAFT Rules

To: Michael Walker
302 Sid Snyder Ave. SW
Olympia, WA 98504

June 1, 2022

Cc: Washington State Governor Inslee
DSHS Assistant Secretary Bill Moss

When Rulemaking takes place that disregards or avoids addressing most essential elements of scope, this is called a "Fatal Flaw". All government agencies know this terminology because it puts Consumers, Taxpayers and State Agencies at risk.

Insurance company Lobbyists intervened with Kreidler for inactions/poor policies, practices and standards sued WA OIC (2017). An Administrative Judge ruling was made; and OIC lost the case. Best Practices were not in place for WA OIC.

On February 1, 2022 a formal Scope Document of R 2022-1 was issued by Kreidler; and this too left out vital parts of OIC Mission protections for Senior Citizens with Long Term Care Insurance. Legal Analysts and Rulemaking Staff must revise and remake their Draft proposal to incorporate Long Term Care protections.

Many members of the Transparency Review Team should have pointed out the flaws. FOIA requests may be needed to determine standards of conduct.

Other businesses and corporations doing business in WA State have rights too. We plan to involve them and their Lobbyists and Executives in getting timely, full resolution. We have a broad network of Lobbyists that work for Consumer Protections. DSHS has accountability as well. WA Companies like The Key; MBK; Homecare; Nursing Facilities/Senior Residences. Their employees, voters and taxpayers whose role and employment focuses on serving needs of their Elderly WA residents also have vested interests. Too many residents of WA are in harms way.

GLIC cannot continue to defraud or abuse their LTC Policyholders any longer. WA OIC must act. No more kicking-the-can or blaming other WA Agencies.

It's irresponsible and a tragic mistake to exclude Long Term Care (LTC) from OIC-Transparency Policymaking and Rulemaking Authority. R 2022-01 Hearings make it apparent WA OIC Agency Staff cannot perform its official State Mandated responsibilities in an ethical fashion. Immediate change in OIC Staff practices is required; and future Professionalism is essential.

Three Key Factors have come into clear focus for WA State OIC

1. OIC' Disregard for broad Segments of WA State Consumer-Insurance Policyholders, namely those excluded from Rulemaking Hearings.
2. OIC' Disregard for Consumer Advocacy Protections by Commissioner Kreidler. NOT providing development or suitable training of Staff has a serious consequence for Insurance Policyholders.
3. OIC Failure to take OIC's Mission into account in carrying out day-to-day operations such as pricing submittals; and reviews of Insurance Company submittals for enormous annual policy pricing (over 100%) increases.

OIC's Mission

To protect consumers, the public interest, and our state's economy through fair and efficient regulation of the insurance industry. This mission supports OIC's vision of being recognized as a model for consumer protection and state insurance regulation by:

- Protecting and educating consumers,
- Promoting a healthy insurance environment,
- Managing resources and leverage technology to ensure effective and efficient operations; and
- Attracting and developing a capable, engaged, valued, and diverse workforce.

Furthermore for attention of OIC-Rulemaking Staff & Legal Analysts:

- a. Broad evidence and facts were submitted to the Rulemaking Members.
- b. Insurance Lobbyists provided written files outlining WA OIC's past practices.
- c. OIC's Rulemaking Document February 1, 2022 (enclosure 2pp) discloses narrow focus; and lack of consideration for WA State interested party disclosures to obtain necessary and vital information. Transparency is lacking in the Rulemaking process itself. Does NOT seek consumer inputs.
- d. Other impacted State Agencies, DSHS and others were left out of the Rulemaking. This appears to have been done purposefully as shown in OIC Documents published OIC-Rulemaking actions.
- e. Letters provided for Public Record came only from Insurance Lobbyists.

Request Action per Above to include Long Term Care Policies in DRAFT PROPOSAL.

Sincerely,

Vernon D. Schrag

Vernon Dwight Schrag
Interested Party – OIC Transparency Rulemaking
Enclosure: February 1, 2022 Preproposal Inquiry

enclosure 2pp



**PREPROPOSAL STATEMENT
OF INQUIRY**

**CR-101 (October 2017)
(Implements RCW 34.05.310)
Do NOT use for expedited rule making**

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED
**DATE: February 01, 2022
TIME: 8:04 AM
WSR 22-04-091**

Agency: Office of the Insurance Commissioner

Subject of possible rule making: Insurance Underwriting Transparency

Insurance Commissioner Matter R 2022-01

Statutes authorizing the agency to adopt rules on this subject: RCW 48.02.060 for the Commissioner's general rulemaking authority to implement RCW 48.01.030, RCW 48.18.180, RCW 48.18.2901, RCW 48.18.292, RCW 48.18.480, RCW 48.18.545, RCW 48.19.020, RCW 48.19.035, and RCW 48.30.010.

Reasons why rules on this subject may be needed and what they might accomplish: Insurance consumers are not provided with full disclosure and complete transparency from insurers for adverse actions, rate changes, or the factors that insurers consider in determining premiums. This prevents the insurance consumer from making informed decisions on their insurance policies, renewals, coverages, and pricing. This also causes the consumer to experience unfairness and deception in these transactions, where insurers are at a significant advantage with expert level knowledge of the insurance underwriting process, including how heavily and which rating factors are considered. Allowing insurers to make rate changes or to take adverse actions against consumers who are at a significant disadvantage in these dealings, where there is also lack of full disclosure, complete transparency, and fairness, results in unfair and deceptive trade practices.

The Office of the Insurance Commissioner has received consumer complaints that indicate insurers have used unfair and deceptive practices involving a lack of complete transparency in rating premiums for insurance consumers. The unfair and deceptive practices operate to the detriment of the consumer, who is uninformed not only on the factors considered and the insurance underwriting process, but also as to how their insurer scrutinized or assessed each variable. Requiring insurers to provide an itemized notice to the consumer, disclosing the exact changes in a consumer's insurance, including costs, and the entirety of factors considered for adverse impacts, will achieve complete transparency, honesty, and fairness in these transactions.

Currently insurers must provide notice stating the significant factors of the credit history or insurance score that resulted in adverse actions against a consumer based in whole or in part on credit history or insurance score. However, the adverse action notice provided by insurers under RCW 48.18.545(2), does not sufficiently disclose the totality of factors or underwriting process decisions in adequate detail, and it does not achieve complete transparency in all insurance transactions. Insurers do not provide full disclosure to consumers containing honest and transparent reasons for their insurance product prices, nor do they provide any exact information on other factors considered that can result in adverse impacts. This causes confusion for consumers, while creating the potential for deception and unfairness in associated insurance transactions. Consumers are unfortunately left unaware of the factors being considered by insurance companies in setting their insurance premiums and rates. This presents complications for all affected parties with insurer actions against the consumer, such as determining whether the statutory rate standards and prohibitions on discrimination are being met (RCW 48.18.480 and RCW 48.19.020).

Consumers need to be provided with full disclosure and complete transparency, if their insurers are considering factors that result in adverse impacts or determine premiums and rates for insurance coverage, which at times can be statutorily mandated. In addition to complete transparency and full disclosure, consumers need access to complete information about their rates to determine if they are unfairly discriminatory or excessive, which are both prohibited under the Insurance Code. Insurers should provide consumers with an itemized notice disclosing their rating factors and the weight of consideration for each variable in insurance underwriting. The OIC recommends using the plain talk guidelines outlined by Executive Order 05-03 under Governor Christine Gregoire. This will afford consumers protection in the form of complete transparency and fairness in insurance underwriting, as well as the ability to make informed decisions on acquiring insurance, renewing policies, administering coverages, improving insurability, and managing insurance costs.

The business practice of insurers taking actions against consumers, without disclosing or giving notice to the exact factors and actuarial reasons for doing so, is deceptive. Permitting insurers to veil their underwriting practices with the guise that they

fairness in insurance transactions. The lack of complete transparency also allows insurers to take adverse actions, such as increasing insurance costs, without disclosing the exact factors and considerations that negatively impacted consumers.

The business of insurance, and the Insurance Code, are both conditioned upon the belief and intent that insurance is affected by public interest, which requires all affected parties to act with good faith, abstain from deception, and practice honesty and equity in all insurance matters. The duty of preserving the integrity of insurance is upon the insurer, the insured, their providers, and their representatives. The Office of the Insurance Commissioner's mission is to protect consumers, the public interest, and Washington's economy through the fair and efficient regulation of the insurance industry. * * *

Therefore, the Commissioner is considering rulemaking that will seek to achieve complete transparency in insurance underwriting by requiring insurers to provide notices to consumers for all factors evaluated in any associated insurer actions, which must include an itemized disclosure of all variables considered in underwriting, as well as the proportionality or weight at which those factors were evaluated. The required notice should provide the consumer with information indicating the exact changes in their insurance, whether related to costs, coverages, or insurer actions against the consumer. This rulemaking will attempt to accomplish complete transparency in underwriting by defining and clarifying the scope of insurer responsibility for adverse actions, premiums, rate changes, and consumer notice requirements.

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 March 1, 2022 * * *

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

Name: Michael Walker	(If necessary)	* * *
Address: 302 Sid Snyder Ave., SW, Olympia WA 98504	Name:	
Phone: 360-725-7036	Address:	
Fax: 360-586-3109	Phone:	
TTY: 360-586-0241	Fax:	
Email: rulescoordinator@oic.wa.gov	TTY:	
Web site: www.insurance.wa.gov	Email:	
Other:	Web site:	
	Other:	

Additional comments:

Date: February 1, 2022

Name: Mike Kreidler

Title: Insurance Commissioner

Signature:



From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#); [Walker, Michael \(OIC\)](#)
Cc: [Solano, Robert \(OIC\)](#); [Wolff, Jesse \(OIC\)](#)
Subject: Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Monday, June 13, 2022 7:28:23 AM
Attachments: [OIC TOPIC C - GLIC Price Increases Consumer Federal Court 2022 Class Action .pdf](#)

External Email

Attn: Rules Coordinator M. Walker FOR PUBLIC RECORD

I believe you expressed that this enclosed ppt file copy "Comments" sent to the Rules Team "was too late" to be considered.

I'm resending for Tuesday's Interested Party Record Files in case I may need to refer to these matters (OIC TOPIC C - GLIC FEDERAL CLASS ACTION) that has direct bearing on the manner and practices that WA OIC has carried out its Mission, or not.

I also have questions for the Rules Team about how OIC may be handling what they may call "Trade Secrets" of GLIC-Genworth and its Lobbyists in WA or National Lobbyist's filings. Maybe Bryon Welch or Phil Comstock can clarify for my purposes?

Last year I had to make a FOIA request for obtaining essential documents to find out what was going on with my OIC-Consumer Complaints that were filed during 2021 & 2022 timeframe.

Will provide a list of questions tomorrow for the Rules Team's response; and formal consideration for the Draft Rule.

Add these matters to the Record Files.

VERNON DWIGHT SCHRAG

Interested Party - OIC Hearings
Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

Topic C – GLIC LTC Policy Price Increases

OIC TRANSPARENCY HEARINGS REVIEW

GLIC 2022 LTC POLICY PRICE-OPTIONS & INCREASES

GLIC USPS LTC PRICE-INCREASE NOTICE LETTERS

“SURPRISE BILLING MAILER”

SCHRAG POLICYHOLDER’S 2021-2022

“We are providing you, our valued customer, with a premium draft notification.” GLIC CEO

WA OIC's Yearly LTC GLIC STM-Policy-Pricing-Timeline



FEBRUARY OIC COMMENT

MAY OIC APPROVAL

6-MONTHS NON-TRANSPARENCY PERIOD

NOVEMBER HOLIDAY GLIC 60-DAYS'

CONSUMER-DEADLINE

Corruption

Complicity

Enabling

Lack of WA OIC Leadership's Education & Training???

WA State OIC LTC Law Reviews

GLIC Annual Price Increases

- **Mimics VA Federal Court Class-Action Filings**
- **STANDARDS OF CONDUCT: GLIC? OIC?**
- **STANDARDS OF TRANSPARENCY: NAMIC?**
- **WA STATE LTC PROTECTIONS FOR SENIORS?**
- **DOES GLIC MEET ANY STANDARDS (or not) ??**



2022 Class - Action GLIC LTC

DECEMBER 11, 2021 ONLINE LAW MAGAZINE WARNING-POSTING

LAW

Class Action Lawsuit Against Genworth Long Term Care Insurance Company

December 11, 2021 @ Milo



Genworth Long Term Care insurance was created as a means to provide senior citizens with affordable health care benefits while they remain in their homes. In order to receive these benefits, however, the policyholder must partake in a specific class action lawsuit against the company. At the time of enrollment, each individual senior citizen is required to complete a form acknowledging that he or she understands the nature of the lawsuit and will attend the class action lawsuit against Genworth. This information is forwarded to attorneys who are then assigned by the company to manage the claims process.

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February 28, 2022



Skechers Shape Up Shoes Lawsuit

February 25, 2022



Vemma Pyramid Scheme Lawsuit

February 23, 2022

CONSUMER QUESTIONS

DOES WA STATE OIC "BOTHER" TO REVIEW & ASSESS GLIC'S NATIONWIDE LTC PRACTICES??

WHO? HOW??

WA STATE AGENCY LTC “FINGER-POINTING” GLIC-POLICY-STANDARDS

**POLICYHOLDERS NEED ANSWERS
BEFORE NOVEMBER**

GLIC – “STM SURPRISE-BILLINGS”

Public Record OIC Transparency
Hearings – April 2022



OIC ACCOUNTABLE? - Or Not ...Then Who Is?

- Insurance Commissioner Kreidler?

LTC Consumer Protections – Elder Abuse – Senior Abuse

- DSHS' Legal Team?

- Governor Inslee?

- WA AG Ferguson?

***Who's Holding WA's
GLIC LTC Policy
HOT POTATO?***

- Lt. Governor Heck & State Legislature?

Who Goes Bankrupt? Consumer Opinion!

- CLASS ACTION LAWSUITS
 - Canada, VA Federal Court 2022, Newest-Latest Filings
- MUST CONSUMER-POLICYHOLDERS DO ALL WA HEAVY LIFTING TO CONTROL GLIC'S CEO??
- BLOCK ANY FURTHER LTC GLIC BUSINESS IN WA STATE
- ***GET IT OVER WITH!! - Q&A – Session Now***

From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#)
Cc: [Wolff, Jesse \(OIC\)](#); [Solano, Robert \(OIC\)](#); [Walker, Michael \(OIC\)](#); [Welch, Bryon \(OIC\)](#); [Capestany, Adolfo \(DSHS/OOS\)](#)
Subject: Fwd: RE: Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Tuesday, June 14, 2022 12:34:33 PM
Attachments: [image001.png](#)
[JUNE 14 RULEMAKING HEARINGS - OIC.pdf](#)
[JUNE 14, 2022- OIC TRANSPARENCY ACTIONS_DS.pdf](#)
[WA OIC CASE 2022- Genworth LTC Policies.pdf](#)
[Genworth 2-13-2022 Website Notice Current Planned Future Premium Increases.pdf](#)

External Email

Rules Coordinator Walker: **FOR PUBLIC RECORD June 14, 2022**

Providing further information Comment-copies for distribution to Rules Team. Summary of Interested Party Consumer Inputs from OIC Hearings today.

Good start but appears this can drag on for months ... or if NAMIC Lobbyists get their way will be dropped altogether?

We will move ahead in parallel with other tasks that need to be resolved in either case. Time is fleeting by. But ... Thanks for trying.

Your DRAFT approach makes common sense; and Consumers need this type of Protection information for managing their policies, finances, healthcare decisions or to enable their seeking other options to correct unethical fraud or grievous harms the Insurance Industry takes against people of WA State. Especially Elder Abuse on those Seniors who are Insurance Consumers but don't have a "reasonable say in these matters".

GLIC Genworth has no ethics nor morality in carrying out their business in WA State. They use horrific pricing practices that reflect poorly on an entire industry in their attempts to "Price Out" their elderly policyholders. ... Pathetic.

I was the only CONSUMER who commented today! And only one Public News Agency person asked a question. Tragic chain of events for Taxpayers, Voters and our Businesses.

My offer today for Q&A Meetings or discussions with Rules Team and Lobbyists was sincere. Just ask. I'll make time available as needed.

VERNON DWIGHT SCHRAG

Interested Party - OIC Hearings

Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

----- Original Message -----

From: "Walker, Michael (OIC)" <Michael.Walker@oic.wa.gov>

To: VERNON SCHRAG <dwights30@comcast.net>, "Wolff, Jesse (OIC)" <Jesse.Wolff@oic.wa.gov>

Cc: "Solano, Robert (OIC)" <Robert.Solano@oic.wa.gov>

Date: 06/09/2022 8:18 AM

Subject: RE: Interested Party Public Hearings R 2022-01 June 14, 2022

Hello Vernon Schrag,

Thank you for contacting the Washington State Office of the Insurance Commissioner with your interest in our Transparency rulemaking (R 2022-01).

We have received your comments and they have been added to the rulemaking record. Additionally, in your email you asked about instructions on how to raise hands in Zoom Meetings to participate in the interested party meetings.

Therefore, I am emailing you with instructions on how to use the 'Raise Hand' feature in Zoom for the upcoming meeting. There are different instructions for those who join the webinar by computer or telephone. I will outline the different instructions for these platforms below:

- Telephone – If you joined the webinar by phone, dial *9 to raise your hand. You may also dial *9 again to lower your hand.
- Computer – If you joined using a computer with Windows or MAC OS: Click Raise Hand in the webinar controls. Windows users can also use the Alt+Y keyboard shortcut to raise or lower their hand. Mac users can also use the Option+Y keyboard shortcut to raise or lower your hand.

We will be conducting the second interested party meeting on Tuesday, June 14, 2022, from 9 AM – 10:30 AM. If you would like to attend, then [please register for the meeting via Zoom](#). You can register at the following hyperlink ([link](#)).

Thank you,



Michael Walker

Senior Policy Analyst

Policy and Legislative Affairs Division
Washington State Office of the Insurance Commissioner
360.725.7036 (Office)

Michael.Walker@oic.wa.gov

Protecting Insurance Consumers

www.insurance.wa.gov | twitter.com/WA_OIC | [email/text alerts](mailto:email/text_alerts) | <https://wa-oic.medium.com/>

From: VERNON SCHRAG <dwights30@comcast.net>

Sent: Thursday, June 9, 2022 7:00 AM

To: Wolff, Jesse (OIC) <Jesse.Wolff@oic.wa.gov>

Cc: Walker, Michael (OIC) <Michael.Walker@oic.wa.gov>; Solano, Robert (OIC) <Robert.Solano@oic.wa.gov>

Subject: Interested Party Public Hearings R 2022-01 June 14, 2022

External Email

Dear Jesse Wolff:

Please provide instructions to me via email for ZOOM session on how to raise my hand to speak to the Rules Team.

Last time there was ZOOM meeting, eighty-one people participated but only the three Lobbyists knew protocol to "Raise a Hand" to be recognized to speak.

This severely limited access for interested parties to participate. ... Again, lack-of- transparency-issues in OIC Rules Team methods, practices and procedures.

Thanks.

VERNON DWIGHT SCHRAG

Interested Party - OIC Hearings

Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

I'm fortunate to be here today in support of Elderly WA residents who aren't able to attend
I'm speaking up for WA Policyholders who have LTC Insurance. They demand protections.
People too handicapped or sick or can't remember things. Needing nursing & home care.
Genworth GLIC is pricing WA Elderly out-of-their-policies. Making people drop vital coverage.
They can't defend themselves against Criminal Insurance Companies. ... That's OIC Mission!
But for 10 + years YOU DIDN'T put protections in place. You botched it up! People were hurt.
You at OIC failed ALL of us ... NOW YOU have ONE LAST FINAL chance to FIX THIS MESS!
Rules Team's job is to add-in LTC for Transparency Protections, JUST LIKE ALL WA Insurance.
Your DRAFT Rulemaking Proposal left out MOST Vulnerable in WA State with LTC Policies.
I don't believe that was ACCIDENTAL. I've put into Public Record Files what is going on here!
What's going on at OIC is a tragedy for WA State. ... Taxpayers & State Government & OIC too.
I've provided hundreds of documents to YOU. RULES TEAM can READ FACTS! .. So Do It!
Ask Questions ... If you doubt FACTS! ... I'LL SPEAK TRUTH. ... I TOLD YOU WHAT TO DO.

NOW A FEW MORE COMMENTS TO CONSIDER

[PUBLIC RECORD ZOOM HEARINGS](#)

[VERNON SCHRAG COMMENTS](#)

["Dirty Dozen Issues"](#)

“THE DIRTY DOZEN” – CONSUMER COMMENTS FOR PUBLIC RECORD FILE

1. YOU decided in your FIRST DRAFT to exclude Long Term Care INSURANCE
2. LTC impacts not only the MOST VULNERABLE individuals but their Families too
3. AND MANY thousands of WA Businesses that provide services to the Elderly
4. DSHS employs MANY thousands who struggle each day helping vulnerable people
5. Trade Secrets and Practices have NO PLACE in making decisions for Consumers
6. Trade Secret Practices are only for Business competition. NOT Consumer Protections
7. You in OIC STILL have a chance to carry out your MOST VITAL MISSION
8. WE REQUESTED Governor Inslee take STEPS NOW to get GLIC OUT of WA
9. GLIC DISPLAYED ACTIONS cheating their Customers in WA State for a Decade
10. It was YOUR JOB, ... OIC’s Mission to PROTECT US. ... BUT YOU DIDN’T DO THAT
11. People’s LIVES are at risk. YOU CANNOT JUST KEEP DOING BUSINESS AS USUAL
12. Bring CONSUMERS into OIC Decision-Process in all FUTURE RULEMAKING. OR ELSE!
(see eleven additional topics next page)

13. You heard from thousands of Consumers before these Hearings. DO NOT FAIL!
14. Transparency NEVER WAS considered IMPORTANT by OIC in 40-plus years
15. OIC mostly interacts with Lobbyists who speak ONLY for the Insurance Industry
16. TRY your Best to be MINDFUL of how RISKY OIC practices have NOW BECOME
17. In February you received your Rulemaking Team Assignments. Kreidler Signed.
18. You DO have an opportunity TODAY - Change the way things are DONE by OIC
19. Failure to act responsibly to perform Consumer Protections Mission will decide
20. Future of OIC is NOT Safe. Whether or NOT OIC SURVIVES as a WA State entity
21. Last Friday we provided Michael Walker our BEST RECOMMENDATIONS
22. AND REQUESTED these be shared with ALL of YOU. Surely HOPE that happened??
23. Peoples LIVES are at risk. YOU CANNOT JUST KEEP DOING BUSINESS AS USUAL

Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004

April 1, 2022

COPY FOR OIC COMPLAINT FILE RECORD

Washington State Office of The Insurance Commissioner
ATTN: WA OIC Commissioner Kreidler
5000 Capitol Blvd SE
Tumwater, WA, 98501-4426

cc: State Senator Patty Kuderer
Senate Law & Justice Committee

Subject: OIC Public Record COMPLAINT FILES Cases #1668213 & #1661232

FOR PUBLIC RECORD

Dear Commissioner Kreidler & OIC Staff:

On April 1, 2022 a formal request was sent to City of Bellevue's Network on Aging Commission for future Agenda Actions regarding unacceptable LTC Insurance Practices in WA State and King County; and also WA OIC's direct involvement.


We're now recommending high priority efforts for expanding WA State Legislative policy reviews, procedures and practices (see 8-steps enclosure) to assess WA OIC's lack of policies to protect residents and voters of WA State. Exorbitant, unethical out-of-control Long Term Care Insurance Policy pricing increases that are being forced on most vulnerable of WA LTC Policyholders. OIC MUST take legal steps to intervene, eliminating the Elder Abuse's on WA residents.

As necessary, a network of private and public support agencies will be formed to legally launch protections for Senior's to deter these Elder Abuse practices. Policy training of OIC Analysts, Staff Actuaries, OIC Consumer Advocates and Public Affairs must be established to allow WA State to take charge of this matter. Assure that Consumer Protections will be carried out to instruct WA OIC's Staff taking major steps to disrupt and stop these ongoing, wrongful abuses. Ask State and/or Federal Court Judges to assess damages to WA State LTC citizen-policyholders. Most vulnerable people must not be targeted by Corporate fraud, greed or lack of ethical standards.

Please respond and address each of these vitally important steps/practices enclosed. Thank you.

Sincerely,
Vernon Dwight Schrag

original USPS Letter Signed/Dated

Enclosure – Eight (8) Recommendations/Key Actions protecting WA LTC Policy Holders with Formal Steps WA OIC is requested to take **before June 30, 2022.** 

Vernon D. Schrag
1106 108th Ave NE Apt. 302
Bellevue, WA 98004

ENCLOSURE ATTN: WA OIC COMMISSIONER KREIDLER – FOR PUBLIC RECORD

ACTION STEPS & PUBLIC DISCLOSURES - Prior to WA OIC Official Analyst Reviews by “LTC Actuaries” of proposed 114% **Genworth LTC Premium** increases (or other amounts/greater/lesser) 2022-2023 LTC Policies held by Resident Washingtonians:

1. Review Virginia Federal Court Decisions of February 2022 to determine if the OIC Commissioner’s review process allows for unintentional or intentional complicity, errors or flaws in bypassing Consumer Protections (and for WA State statutes & policy/code provisions). Very important to have clarity and disclosure for WA State Public and Legislature, plus voters and taxpayers.
2. Provide a full disclosure of annual Policy Price increase requests & actual approvals given by WA OIC to Genworth Insurance. Simple descriptive letter: e.g. Annual Genworth Request versus OIC Approved percentage increases passed on to WA Policyholders; and why increases were approved.
3. Provide Public Information Notice(s) prepared by WA OIC in advance to Policyholders EACH year that will/have been impacted by lack of protections against fraud, corruption or insufficient reviews by WA OIC Analysts.
4. Provide Annual Official WA OIC letter to Genworth LTC about Consumer Advocacy actions underway to protect elderly policyholders; and copy to Consumers and Sales Agents in WA State. Provide these to Policyholders.
5. Determine Genworth Corporate policy that avoids/disallows informing impacted LTC consumers of “future financial failure” for the company if they’re unable to get WA OIC agreements for price increases in WA State
6. Determine how many years longer that Genworth claims they will/can “survive” financially as a company; and potential impacts on WA State if WA OIC presents claims situation to Administrative Court Judges, recommending **“Full rejection of policy price increases” requested by Genworth LTC.**
7. Describe in writing to WA Consumers and Legislature what happens to LTC Policies in force if Court Hearing Judge(s) agrees with WA OIC Policy Review position of **level premiums going forward, years 2022 onward.**
8. Report to WA Legislators on matters of why/why not WA LTC policies that Genworth Insurance NO LONGER OFFERS FOR SALE **should be frozen** at present levels of premium payments until District Court Judge makes their final decision. Provide this information to the WA State Attorney General.
NOTE: **OTHER** RECOMMENDED WA OIC STEPS & ACTIONS MAY FOLLOW

Initials _____ Date: _____



Current Planned Future Premium Increases

Please note, as of 09/13/2021 we plan to request at least 114% in additional future premium rate increases on your policy and policies like yours in the state where your policy was issued.

These planned increases are in addition to any premium increases in the process of being implemented.

It is possible the actual premium rate increases we seek will be larger or more numerous than currently planned. Check back at any time to see how our plans may have changed.

Planned premium rate increases will take effect only as permitted by the applicable state insurance department and state law.

How do I know if these rate increase plans apply to my policy?

If you recently received notice from us that your premiums are increasing, then these future rate increase plans do apply to your policy.

If you have not recently received a premium increase notice, the future rate increase plans will apply to your policy unless an exception applies.

What are some exceptions where the future rate increase plans may not apply to my policy?

The following are exceptions where the above future rate increases plan do not apply to your policy:

- If your policy is in a paid-up status, premium rate increases do not apply to your policy.
- If you selected the Stable Premium Option* or Flexible Benefit Option*, premium rate increases do not apply to your policy until after the guarantee period ends.
- If you selected the Lifetime Stable Premium Option*, future premium rate increases do not apply to your policy.
- Certain state specific exceptions may also apply to your policy.

If your policy is subject to a premium rate increase, you will be notified at least 60 days in advance of the increase effective date.

* The Stable Premium Option, Lifetime Stable Premium Option, and Flexible Benefit Option are reduced benefit options that were available at the time of a premium rate increase on certain policy forms in some states. These options were not available in all states or with all policy forms.

The Genworth Financial companies, including Genworth Life Insurance Company, Genworth Life and Annuity Insurance Company, and Genworth Life Insurance Company of New York, may be referred to as "us" or "we" on this site.

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From: [VERNON SCHRAG](#)
To: [OIC Rules Coordinator](#)
Cc: [Walker, Michael \(OIC\)](#); [Solano, Robert \(OIC\)](#); [Wolff, Jesse \(OIC\)](#)
Subject: RE: Interested Party Public Hearings R 2022-01 June 14, 2022
Date: Tuesday, June 14, 2022 4:11:11 PM
Attachments: [OIC RULEMAKING TOPIC C - GLIC Price Increases Consumer Federal Court 2022 Class Action .pdf](#)

External Email

ADDITIONAL COMMENTS ATTACHED - for Rulemaking Team Review. **FOR PUBLIC RECORD**

I believe this one (PDF Comment RULEMAKING TOPIC-C) may not have gotten properly recorded during APRIL Hearings.

And someone on the Rules Team should start carefully reviewing all Uploads sent to Consumer Advocacy in recent 12 months. There's a document in there (w/my three Complaints) that is going to have some major impacts going forward from today. Keep Kreidler informed.

Maybe get some Legal Help from Consumer Protection; and start digging. Read everything very carefully about what Genworth is now doing to their Policyholders when they try to use their Policy Benefits. Bad stuff! I dropped into into your Advocacy files. Todd Dixon should be briefed.

NAMIC will be confronted with the Data too. Investigations should be started. At the right time. They and APCIA own part of this LTC mess.

We can discuss in depth as needed to get solid/workable Rulemaking done. Entire Rules Team should participate.

VERNON DWIGHT SCHRAG

Interested Party - OIC Hearings

Insurance Policyholder & Senior Citizen
BELLEVUE WA
425-443-7958

Topic C – GLIC LTC Policy Price Increases

OIC TRANSPARENCY HEARINGS REVIEW

GLIC 2022 LTC POLICY PRICE-OPTIONS & INCREASES

GLIC USPS LTC PRICE-INCREASE NOTICE LETTERS

“SURPRISE BILLING MAILER”

SCHRAG POLICYHOLDER’S 2021-2022

“We are providing you, our valued customer, with a premium draft notification.” GLIC CEO

WA OIC's Yearly LTC GLIC STM-Policy-Pricing-Timeline



FEBRUARY OIC COMMENT

MAY OIC APPROVAL

6-MONTHS NON-TRANSPARENCY PERIOD

NOVEMBER HOLIDAY GLIC 60-DAYS'

CONSUMER-DEADLINE

Corruption

Complicity

Enabling

Lack of WA OIC Leadership's Education & Training???

WA State OIC LTC Law Reviews

GLIC Annual Price Increases

- **Mimics VA Federal Court Class-Action Filings**
- **STANDARDS OF CONDUCT: GLIC? OIC?**
- **STANDARDS OF TRANSPARENCY: NAMIC?**
- **WA STATE LTC PROTECTIONS FOR SENIORS?**
- **DOES GLIC MEET ANY STANDARDS (or not) ??**



2022 Class - Action GLIC LTC

DECEMBER 11, 2021 ONLINE LAW MAGAZINE WARNING-POSTING

LAW

Class Action Lawsuit Against Genworth Long Term Care Insurance Company

December 11, 2021 @ Milo



Genworth Long Term Care insurance was created as a means to provide senior citizens with affordable health care benefits while they remain in their homes. In order to receive these benefits, however, the policyholder must partake in a specific class action lawsuit against the company. At the time of enrollment, each individual senior citizen is required to complete a form acknowledging that he or she understands the nature of the lawsuit and will attend the class action lawsuit against Genworth. This information is forwarded to attorneys who are then assigned by the company to manage the claims process.

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February 23, 2022

CONSUMER QUESTIONS

DOES WA STATE OIC "BOTHR" TO REVIEW & ASSESS GLIC'S NATIONWIDE LTC PRACTICES??

WHO? HOW??

WA STATE AGENCY LTC “FINGER-POINTING” GLIC-POLICY-STANDARDS

**POLICYHOLDERS NEED ANSWERS
BEFORE NOVEMBER**

GLIC – “STM SURPRISE-BILLINGS”

Public Record OIC Transparency
Hearings – April 2022



OIC ACCOUNTABLE? - Or Not ...Then Who Is?

- Insurance Commissioner Kreidler?

LTC Consumer Protections – Elder Abuse – Senior Abuse

- DSHS' Legal Team?

- Governor Inslee?

- WA AG Ferguson?

***Who's Holding WA's
GLIC LTC Policy
HOT POTATO?***

- Lt. Governor Heck & State Legislature?

Who Goes Bankrupt? Consumer Opinion!

- CLASS ACTION LAWSUITS
 - Canada, VA Federal Court 2022, Newest-Latest Filings
- MUST CONSUMER-POLICYHOLDERS DO ALL WA HEAVY LIFTING TO CONTROL GLIC'S CEO??
- BLOCK ANY FURTHER LTC GLIC BUSINESS IN WA STATE
- ***GET IT OVER WITH!! - Q&A – Session Now***