



Third Interested Party Meeting:

Prepublication – Second Draft



OFFICE of the
**INSURANCE
COMMISSIONER**
WASHINGTON STATE

August 4, 2022

Agenda

- **Second Draft (Prepublication)**
 - Open for Feedback & Comments
 - Outline & Explain Major Developments
- **Next Steps**
 - Consider Feedback & Comments
 - Determine Third Draft or Official Rules
- **Open Discussion**
 - Additional Feedback
 - Q&A

How to provide comments or feedback

- Any interested person may participate in today's meeting by using the "Raise Hand" feature in Zoom.
- Please use the "Raise Hand" function to indicate you want to speak and you will be prioritized into a queue.
- Please keep your hand raised until called upon.
- When your time to speak is near, you will be unmuted.
- Please be ready to speak when called upon and unmuted.
- Depending on the number of interested parties, we may have to use a two-minute time limit per party.
- Zoom Raise Hand Instructions
 - Telephone – If you joined the webinar by phone, dial *9 to raise your hand.
 - Computer – If you joined using a computer with Windows or MAC OS: Click Raise Hand in the webinar controls.

Second Draft: Feedback & Comments

- **Now is the time for feedback –**

- Please use the “Raise Hand” function to indicate that you would like to speak. You will be placed in the speaking queue when there is room.
- Please keep your hand raised until called upon. We may use 2-minute time limits for feedback, depending on the number of interested parties wanting to comment.

- **Zoom “Raise Hand” Instructions –**

- Telephone – If you joined the webinar by phone, dial *9 to raise 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 your hand.
- We will select interested parties with hands raised in Zoom to provide feedback and comments on the Second Draft.

Second Draft: Feedback and Comments

R 2022-01 Premium Change Transparency

Second Draft | July 20, 2022

Comments Due to OIC at RulesCoordinator@oic.wa.gov by Close of Business (5 PM) on August 3, 2022

- **Now is the time for feedback** –
 - Please use the “Raise Hand” function to indicate that you would like to speak. You will be placed in the speaking queue when there is room.
- **Zoom “Raise Hand” Instructions** –
 - Telephone – If you joined the webinar by phone, dial *9 to raise your hand.
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Second Draft: Overview of Major Developments

- **Title Change** – Insurance Underwriting Transparency to Premium Change Transparency.
 - Premium Change Transparency is more specific to the rulemaking scope and goals. This also improves the optics for all parties.
 - The name of the form has also been changed from Premium Change Disclosure Notice to Premium Change Notice.

Second Draft: Overview of Major Developments

- **Scope (Enhanced Focus)** – The scope of applicability has been revised to apply solely to authorized insurers with private passenger automobile coverage, homeowner’s & renter’s coverage, and dwelling property coverage.
 - This removes scope coverage for surplus lines, earthquake coverage, personal liability and theft coverage, personal inland marine coverage, and mechanical breakdown coverage for personal auto or home appliances.
 - This is a data-driven decision based on agency and consumer contacts (as well as consumer complaints). We also believe these lines of insurance are where consumer protections can be best achieved through insurer transparency.
- **Scope (Transactions)** – The rule team has removed ‘insurer-initiated modifications’ from the scope of the rules.
 - This means that the transparency rules will only apply at the time of renewal and not at the time of insurer-initiated policy modifications.

Second Draft: Overview of Major Developments

- **Instructions (Revised Threshold)** – Previously WAC 284-30A-040 required premium change notices in response to *any premium change*. This could have been interpreted to require notices in response to premium increases and *decreases*.
 - This section has been revised to require premium change notices in response to a premium increase of 10% or more, or upon request by the policyholder for any premium change.
- **Instructions to Insurers (Expanded with Additional Clarifications and Regulatory Guidance)** –
 - Comments on the First Draft asked for additional instructions to insurers completing the Premium Change Notice. Second draft includes the following:
 - EX. “The insurer must communicate rates, coverages, and rating variables in terms that are understandable to an average policyholder.”
- **Premium Change Notice (Updated with Feedback from First Draft)** –
 - Reformatted for readability and ease of processing.
- **Minor and Stylistic Revisions**

Next Steps

- **Review and Incorporation of Feedback & Comments**
 - Due by Close of Business (5 PM) Today (8/3)
 - Email to RulesCoordinator@oic.wa.gov
 - Internal Rule Team Meetings
- **Consider Prepublication Drafts or Official Rules**
 - Third Draft or CR-102
 - 4th IP MTG or Comment Period/Public Hearing

Questions, Comments, Concerns, or Feedback

Open Discussion

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