



Mike Kreidler- Insurance commissioner

As required by

The Washington State Administrative Procedures Act

Chapter 34.05 RCW

Matter No. **R 2022-08**

**CONCISE EXPLANATORY STATEMENT; RESPONSIVENESS  
SUMMARY; RULE DEVELOPMENT PROCESS; AND  
IMPLEMENTATION PLAN**

Relating to the adoption of

**Removing language concerning prohibiting use of credit history**

**January 4, 2023**

## TABLE OF CONTENTS

Section 1	Introduction	pg. 3
Section 2	Reasons for adopting the rule	pg. 3
Section 3	Rule development process	pg. 3
Section 4	Differences between proposed and final rule	pg. 4
Section 5	Responsiveness summary	pg. 4
Section 6	Implementation plan	pg. 4

## **Section 1: Introduction**

Revised Code of Washington (RCW) 34.05.325 (6) requires the Office of Insurance Commissioner (OIC) to prepare a “concise explanatory statement” (CES) prior to filing a rule for permanent adoption. The CES shall:

1. Identify the Commissioner's reasons for adopting the rule;
2. Describe differences between the proposed rule and the final rule (other than editing changes) and the reasons for the differences; and
3. Summarize and respond to all comments received regarding the proposed rule during the official public comment period, indicating whether or not the comment resulted in a change to the final rule, or the Commissioner's reasoning in not incorporating the change requested by the comment; and
4. Be distributed to all persons who commented on the rule during the official public comment period and to any person who requests it.

## **Section 2: Reasons for Adopting the Rule**

On August 29, 2022, the Thurston County Superior Court issued an order invalidating R 2021-07, which temporarily prohibited insurers from using consumer credit histories to set rates for all homeowners, renters, and auto insurance. The purpose of this rule proposal is to align the Washington Administrative Code with the Court's ruling.

This rule will repeal WAC 284-24A-090 and amend WAC 284-24A-050, restoring the language to its state prior to the R 2021-07 rulemaking.

## **Section 3: Rule Development Process**

On October 27, 2022, the OIC filed an Expedited Rule Making notice (CR-105) to begin formal rulemaking.

On January 6, 2023, the OIC filed the CR-103P to adopt these rules, which become effective on February 7, 2023.

## **Section 4: Differences Between Proposed and Final Rule**

There are no differences between the CR-105 proposed published rule text and the final CR-103P adopted text.

## Section 5: Responsiveness Summary

The OIC received no comments or suggestions regarding this rule.

## Section 6: Implementation Plan

### A. Implementation and enforcement of the rule.

There are no anticipated effects due to the changes to existing rules, as the R 2021-07 rulemaking was never implemented, and the Court's ruling has already taken effect.

### B. How the Agency intends to inform and educate affected persons about the rule.

- Policy and Legislation Division staff will distribute the final rule and the Concise Explanatory Statement (CES) to all interested parties by posting and sharing the documents through the OIC's standard rule making listserv.
- The Rules Coordinator will post the CR-103P documents on the OIC's website.
- OIC staff will address questions as follows:

Type of Inquiry	Division
Consumer assistance	Consumer Protection
Rule content	Rates, Forms and Provider Networks
Authority for rules	Policy and Legislative Affairs
Enforcement of rule	Legal Affairs
Market Compliance	Company Supervision

### C. How the Agency intends to promote and assist voluntary compliance for this rule.

- Policy and Legislation Division staff will distribute the final rule and the Concise Explanatory Statement (CES) to all interested parties by posting and sharing the documents through the OIC's standard rule making listserv.
- The Rules Coordinator will post the CR-103P documents on the OIC's website.

### D. How the Agency intends to evaluate whether the rule achieves the purpose for which it was adopted.

The OIC will monitor consumer and industry inquiries related to the implementation of this rule.