



Mike Kreidler- Insurance commissioner

As required by

The Washington State Administrative Procedures Act

Chapter 34.05 RCW

Matter No. **R 2023-03**

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

Relating to the adoption of

**Removing language referencing commercial property insurers and the
commissioner's authority to increase the value of mitigation goods and
services.**

October 3, 2023

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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 reason's 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

Passage of SSB 5720 (2023) amends RCW 48.18.558 and 48.19.530 by no longer excluding commercial property insurers from providing goods and services intended to reduce the probability of loss as part of an insurance policy. Additionally, SSB 5720 amends RCW 48.18.559 to remove the commissioner's rulemaking authority to increase the value of risk mitigation goods and services.

The purpose of this rule is to align existing rule language including WAC 284-33-005, 284-33-010 and 284-33-030 with newly amended RCW 48.18.558, 48.18.559 and 48.19.530.

Section 3: Rule Development Process

On July 19, 2023, the OIC filed an Expedited Rule Making notice (CR-105) to begin formal rulemaking.

On October 4, 2023, the OIC filed the CR-103P to adopt these rules, which become effective on November 4, 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 content of R 2023-03 rulemaking is explicitly and specifically dictated by statute.

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	Policy and Legislative Affairs
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 Legislative Affairs 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.