

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5750

Chapter 428, Laws of 1997

55th Legislature
1997 Regular Session

COMMERCIAL PROPERTY CASUALTY POLICIES--FILING

EFFECTIVE DATE: 7/27/97

Passed by the Senate April 21, 1997
YEAS 38 NAYS 8

BRAD OWEN

President of the Senate

Passed by the House April 14, 1997
YEAS 67 NAYS 30

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved May 19, 1997

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5750** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

Secretary

FILED

May 19, 1997 - 7:37 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5750

AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Financial Institutions, Insurance & Housing
(originally sponsored by Senators Winsley, Prentice, Hale and Heavey)

Read first time 03/05/97.

1 AN ACT Relating to filing certain rates and contracts with the
2 insurance commissioner; amending RCW 48.18.100 and 48.19.060; adding a
3 new section to chapter 48.18 RCW; and adding a new section to chapter
4 48.19 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18 RCW
7 to read as follows:

8 (1) It is the intent of the legislature to assist the purchasers of
9 commercial property casualty insurance by allowing policies to be
10 issued more expeditiously and provide a more competitive market for
11 forms.

12 (2) Commercial property casualty policies may be issued prior to
13 filing the forms. All commercial property casualty forms shall be
14 filed with the commissioner within thirty days after an insurer issues
15 any policy using them.

16 (3) If, within thirty days after a commercial property casualty
17 form has been filed, the commissioner finds that the form does not meet
18 the requirements of this chapter, the commissioner shall disapprove the
19 form and give notice to the insurer or rating organization that made

1 the filing, specifying how the form fails to meet the requirements and
2 stating when, within a reasonable period thereafter, the form shall be
3 deemed no longer effective. The commissioner may extend the time for
4 review another fifteen days by giving notice to the insurer prior to
5 the expiration of the original thirty-day period.

6 (4) Upon a final determination of a disapproval of a policy form
7 under subsection (3) of this section, the insurer shall amend any
8 previously issued disapproved form by endorsement to comply with the
9 commissioner's disapproval.

10 (5) For purposes of this section, commercial property casualty-
11 means insurance pertaining to a business, profession, or occupation for
12 the lines of property and casualty insurance defined in RCW 48.11.040,
13 48.11.050, 48.11.060, or 48.11.070.

14 (6) Except as provided in subsection (4) of this section, the
15 disapproval shall not affect any contract made or issued prior to the
16 expiration of the period set forth in the notice of disapproval.

17 (7) In the event a hearing is held on the actions of the
18 commissioner under subsection (3) of this section, the burden of proof
19 shall be on the commissioner.

20 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.19 RCW
21 to read as follows:

22 (1) It is the intent of the legislature to assist the purchasers of
23 commercial property casualty insurance by allowing policies to be
24 issued more expeditiously and provide a more competitive market for
25 rates.

26 (2) Notwithstanding the provisions of RCW 48.19.040(1), commercial
27 property casualty policies may be issued prior to filing the rates.
28 All commercial property casualty rates shall be filed with the
29 commissioner within thirty days after an insurer issues any policy
30 using them.

31 (3) If, within thirty days after a commercial property casualty
32 rate has been filed, the commissioner finds that the rate does not meet
33 the requirements of this chapter, the commissioner shall disapprove the
34 filing and give notice to the insurer or rating organization that made
35 the filing, specifying how the filing fails to meet the requirements
36 and stating when, within a reasonable period thereafter, the filing
37 shall be deemed no longer effective. The commissioner may extend the

1 time for review another fifteen days by giving notice to the insurer
2 prior to the expiration of the original thirty-day period.

3 (4) Upon a final determination of a disapproval of a rate filing
4 under subsection (3) of this section, the insurer shall issue an
5 endorsement changing the rate to comply with the commissioner's
6 disapproval from the date the rate is no longer effective.

7 (5) For purposes of this section, commercial property casualty-
8 means insurance pertaining to a business, profession, or occupation for
9 the lines of property and casualty insurance defined in RCW 48.11.040,
10 48.11.050, 48.11.060, or 48.11.070.

11 (6) Except as provided in subsection (4) of this section, the
12 disapproval shall not affect any contract made or issued prior to the
13 expiration of the period set forth in the notice of disapproval.

14 (7) In the event a hearing is held on the actions of the
15 commissioner under subsection (3) of this section, the burden of proof
16 shall be on the commissioner.

17 **Sec. 3.** RCW 48.18.100 and 1989 c 25 s 1 are each amended to read
18 as follows:

19 (1) No insurance policy form other than surety bond forms, forms
20 exempt under section 1 of this act, or application form where written
21 application is required and is to be attached to the policy, or printed
22 life or disability rider or endorsement form shall be issued,
23 delivered, or used unless it has been filed with and approved by the
24 commissioner. This section shall not apply to policies, riders or
25 endorsements of unique character designed for and used with relation to
26 insurance upon a particular subject.

27 (2) Every such filing containing a certification, in a form
28 approved by the commissioner, by either the chief executive officer of
29 the insurer or by an actuary who is a member of the American academy of
30 actuaries, attesting that the filing complies with Title 48 RCW and
31 Title 284 of the Washington Administrative Code, may be used by such
32 insurer immediately after filing with the commissioner. The
33 commissioner may order an insurer to cease using a certified form upon
34 the grounds set forth in RCW 48.18.110. This subsection shall not
35 apply to certain types of policy forms designated by the commissioner
36 by rule.

37 (3) Except as provided in section 1 of this act, every filing that
38 does not contain a certification pursuant to subsection (2) of this

1 section shall be made not less than thirty days in advance of any such
2 issuance, delivery, or use. At the expiration of such thirty days the
3 form so filed shall be deemed approved unless prior thereto it has been
4 affirmatively approved or disapproved by order of the commissioner.
5 The commissioner may extend by not more than an additional fifteen days
6 the period within which he or she may so affirmatively approve or
7 disapprove any such form, by giving notice of such extension before
8 expiration of the initial thirty-day period. At the expiration of any
9 such period as so extended, and in the absence of such prior
10 affirmative approval or disapproval, any such form shall be deemed
11 approved. The commissioner may withdraw any such approval at any time
12 for cause. By approval of any such form for immediate use, the
13 commissioner may waive any unexpired portion of such initial thirty-day
14 waiting period.

15 (4) The commissioner's order disapproving any such form or
16 withdrawing a previous approval shall state the grounds therefor.

17 (5) No such form shall knowingly be so issued or delivered as to
18 which the commissioner's approval does not then exist.

19 (6) The commissioner may, by order, exempt from the requirements of
20 this section for so long as he or she deems proper, any insurance
21 document or form or type thereof as specified in such order, to which
22 in his or her opinion this section may not practicably be applied, or
23 the filing and approval of which are, in his or her opinion, not
24 desirable or necessary for the protection of the public.

25 (7) Every member or subscriber to a rating organization shall
26 adhere to the form filings made on its behalf by the organization.
27 Deviations from such organization are permitted only when filed with
28 the commissioner in accordance with this chapter.

29 **Sec. 4.** RCW 48.19.060 and 1989 c 25 s 5 are each amended to read
30 as follows:

31 (1) The commissioner shall review a filing as soon as reasonably
32 possible after made, to determine whether it meets the requirements of
33 this chapter.

34 (2) Except as provided in RCW 48.19.070 and section 2 of this act:

35 (a) No such filing shall become effective within thirty days after
36 the date of filing with the commissioner, which period may be extended
37 by the commissioner for an additional period not to exceed fifteen days
38 if he or she gives notice within such waiting period to the insurer or

1 rating organization which made the filing that he or she needs such
2 additional time for the consideration of the filing. The commissioner
3 may, upon application and for cause shown, waive such waiting period or
4 part thereof as to a filing that he or she has not disapproved.

5 (b) A filing shall be deemed to meet the requirements of this
6 chapter unless disapproved by the commissioner within the waiting
7 period or any extension thereof.

Passed the Senate April 21, 1997.

Passed the House April 14, 1997.

Approved by the Governor May 19, 1997.

Filed in Office of Secretary of State May 19, 1997.