

FINAL BILL REPORT

SB 6526

C 347 L 02
Synopsis as Enacted

Brief Description: Renewing contracts of insurance that are subject to RCW 48.18.290.

Sponsors: Senators Keiser and Winsley; by request of Insurance Commissioner.

Senate Committee on Labor, Commerce & Financial Institutions
House Committee on Financial Institutions & Insurance

Background: As a general rule, Washington's insurance code requires that insurance contracts be renewable. An insurer may be excepted from this requirement if it provides the insured with written notice of the refusal to renew at least 45 days prior to the expiration of the policy. The written notice must include a statement explaining the reason for non-renewal.

There are types of limited-duration insurance policies that are intended to be in effect for only a single term and for which the renewal requirement is irrelevant. Examples of such policies include those related to the insuring of a single event, such as an airline flight, a public concert, or a wedding. Current law, however, requires that the nonrenewal notice be provided with respect to such policies, even though the insured never contemplated renewal at the time the insurance contract was initiated.

Summary: An insurer need not provide advance written notice of nonrenewal with respect to an insurance contract that explicitly states that it is for a single term and thus not renewable.

Technical amendments are made for the purpose of clarifying existing terminology.

Votes on Final Passage:

Senate	45	0
House	93	0

Effective: June 13, 2002