CERTIFICATION OF ENROLLMENT

SENATE BILL 6526

Chapter 347, Laws of 2002

57th Legislature
2002 Regular Session

INSURANCE CONTRACTS--RENEWALS

EFFECTIVE DATE: 6/13/02

Passed by the Senate February 13, 2002
YEAS 45   NAYS 0

BRAD OWEN
President of the Senate

Passed by the House March 6, 2002
YEAS 93   NAYS 0

FRANK CHOPP
Speaker of the House of Representatives

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is SENATE BILL 6526 as passed by the Senate and the House of Representatives on the dates hereon set forth.

FRANK CHOPP
Speaker of the House of Representatives

TONY M. COOK
Secretary

Approved April 3, 2002

GARY LOCKE
Governor of the State of Washington

Secretary of State
State of Washington

FILED

April 3, 2002 - 10:55 a.m.
AN ACT Relating to renewing contracts of insurance that are subject to RCW 48.18.290; and amending RCW 48.18.2901.

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

Sec. 1. RCW 48.18.2901 and 1993 c 186 s 1 are each amended to read as follows:

(1) Each insurer shall be required to renew any contract of insurance subject to RCW 48.18.290 unless one of the following situations exists:

(a) The insurer gives the named insured at least forty-five days’ notice in writing as provided for in RCW 48.18.290, that it proposes to refuse to renew the insurance contract upon its expiration date; and sets forth ((therein)) in that writing the actual reason for refusing to renew; ((or))

(b) At least twenty days prior to its expiration date, the insurer has communicated, either directly or through its agent, its willingness to renew in writing to the named insured and has included ((therein)) in that writing a statement of the amount of the premium or portion thereof required to be paid by the insured to renew the policy, and the
insured fails to discharge when due his or her obligation in connection
with the payment of such premium or portion thereof; ((or))

(c) The insured has procured equivalent coverage prior to the
expiration of the policy period; ((or))

(d) The contract is evidenced by a written binder containing a
clearly stated expiration date which has expired according to its
terms; or

(e) The contract clearly states that it is not renewable, and is
for a specific line, subclassification, or type of coverage that is not
offered on a renewable basis. This subsection (1)(e) does not restrict
the authority of the insurance commissioner under this code.

(2) Any insurer failing to include in the notice required by
subsection (1)(b) of this section the amount of any increased premium
resulting from a change of rates and an explanation of any change in
the contract provisions shall renew the policy if so required by that
subsection according to the rates and contract provisions applicable to
the expiring policy((: PROVIDED, That)). However, renewal based on
the rates and contract provisions applicable to the expiring policy
shall not prevent the insurer from making changes in the rates and/or
contract provisions of the policy once during the term of its renewal
after at least twenty days’ advance notice of such change has been
given to the named insured.

(3) Renewal of a policy shall not constitute a waiver or estoppel
with respect to grounds for cancellation which existed before the
effective date of such renewal, or with respect to cancellation of fire
policies under chapter 48.53 RCW.

(4) "Renewal" or "to renew" means the issuance and delivery by an
insurer of a contract of insurance replacing at the end of the contract
period a contract of insurance previously issued and delivered by the
same insurer, or the issuance and delivery of a certificate or notice
extending the term of a contract beyond its policy period or term((:+
PROVIDED, HOWEVER, That)). However, (a) any contract of insurance with
a policy period or term of six months or less whether or not made
continuous for successive terms upon the payment of additional premiums
shall for the purpose of RCW 48.18.290 and 48.18.293 through 48.18.295
be considered as if written for a policy period or term of six
months((:+PROVIDED, FURTHER, That)); and (b) any policy written for a
term longer than one year or any policy with no fixed expiration date,
shall, for the purpose of RCW 48.18.290 and 48.18.293 through
48.18.295, be considered as if written for successive policy periods or terms of one year.

(5) A midterm blanket reduction in rate, approved by the commissioner, for medical malpractice insurance shall not be considered a renewal for purposes of this section.

Passed the Senate February 13, 2002.
Passed the House March 6, 2002.
Approved by the Governor April 3, 2002.
Filed in Office of Secretary of State April 3, 2002.