
HOUSE BILL 2694

State of Washington

52nd Legislature

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By Representatives Van Luven, Anderson, Mielke, Broback, Schmidt, Ferguson, Dorn, Zellinsky, Winsley, May, Wynne and Mitchell

Read first time 01/24/92. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to cancellation and nonrenewal of individual health
2 insurance policies; adding a new section to chapter 48.20 RCW; adding a
3 new section to chapter 48.44 RCW; and adding a new section to chapter
4 48.46 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 48.20 RCW
7 to read as follows:

8 (1) Every policy of disability insurance issued, amended, or
9 renewed after December 31, 1992, shall contain a provision guaranteeing
10 renewability except for nonpayment of premium; however, upon obtaining
11 the written approval of the commissioner, an insurer may discharge its
12 obligation to renew by obtaining for the insured coverage with another
13 insurer which coverage provides equivalent benefits for value paid.

1 (2) The commissioner shall adopt rules prohibiting insurers from
2 introducing and using new policy forms which have the effect of
3 isolating high risk policyholders under a prior or alternative policy
4 form subject to substantial rate increases.

5 (3) A violation of this section constitutes an unfair and deceptive
6 act or practice under RCW 48.30.010.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.44 RCW
8 to read as follows:

9 (1) Every individual health care service contract issued, amended,
10 or renewed after December 31, 1992, shall contain a provision
11 guaranteeing renewability except for nonpayment of premium; however,
12 upon obtaining the written approval of the commissioner, a contractor
13 may discharge its obligation to renew by obtaining for the persons
14 covered under the contract coverage with another contractor which
15 coverage provides equivalent benefits for value paid.

16 (2) The commissioner shall adopt rules prohibiting health care
17 service contractors from introducing and using new contract forms which
18 have the effect of isolating high risk persons under a prior or
19 alternative contract form subject to substantial rate increases.

20 (3) A violation of this section constitutes an unfair and deceptive
21 act or practice under RCW 48.30.010.

22 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.46 RCW
23 to read as follows:

24 (1) Every individual health maintenance agreement issued, amended,
25 or renewed after December 31, 1992, shall contain a provision
26 guaranteeing renewability except for nonpayment of premium; however,
27 upon obtaining the written approval of the commissioner, a health
28 maintenance organization may discharge its obligation to renew by

1 obtaining for the persons covered under the agreement coverage with
2 another health maintenance organization which coverage provides
3 equivalent benefits for value paid.

4 (2) The commissioner shall adopt rules prohibiting health
5 maintenance organizations from introducing and using new agreement
6 forms which have the effect of isolating high risk persons under a
7 prior or alternative agreement form subject to substantial rate
8 increases.

9 (3) A violation of this section constitutes an unfair and deceptive
10 act or practice under RCW 48.30.010.