
HOUSE BILL 2572

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Zellinsky, Schmidt, R. Meyers and Dorn; by request of Insurance Commissioner

Read first time 01/17/94. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to extending the time for rate and form review; and
2 amending RCW 48.18.100, 48.19.060, 48.19.070, 48.19.110, 48.21A.060,
3 and 48.66.035.

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

5 **Sec. 1.** RCW 48.18.100 and 1989 c 25 s 1 are each amended to read
6 as follows:

7 (1) No insurance policy form other than surety (~~bond~~) insurance
8 forms, or application form where written application is required and is
9 to be attached to the policy, or printed life or disability rider or
10 endorsement form shall be issued, delivered, or used unless it has been
11 filed with and approved by the commissioner. This section shall not
12 apply to policies, riders or endorsements of unique character designed
13 for and used with relation to insurance upon a particular subject.

14 (2) Every such filing containing a certification, in a form
15 approved by the commissioner, by either the chief executive officer of
16 the insurer or by an actuary who is a member of the American Academy of
17 Actuaries, attesting that the filing complies with Title 48 RCW and
18 Title 284 of the Washington Administrative Code, may be used by such
19 insurer immediately after filing with the commissioner. The

1 commissioner may order an insurer to cease using a certified form upon
2 the grounds set forth in RCW 48.18.110. This subsection shall not
3 apply to certain types of policy forms designated by the commissioner
4 by rule.

5 (3) Every filing that does not contain a certification pursuant to
6 subsection (2) of this section shall be made not less than (~~(thirty))~~
7 sixty days in advance of any such issuance, delivery, or use. At the
8 expiration of (~~(such thirty))~~ the sixty days the form so filed shall be
9 deemed approved unless prior thereto it has been affirmatively approved
10 or disapproved by order of the commissioner. The commissioner may
11 extend by not more than an additional fifteen days the period within
12 which he or she may so affirmatively approve or disapprove any such
13 form, by giving notice of such extension before expiration of the
14 initial (~~(thirty-day))~~ sixty-day period. At the expiration of any such
15 period as so extended, and in the absence of such prior affirmative
16 approval or disapproval, any such form shall be deemed approved. The
17 commissioner may withdraw any such approval at any time for cause. By
18 approval of any such form for immediate use, the commissioner may waive
19 any unexpired portion of such initial (~~(thirty-day))~~ sixty-day waiting
20 period.

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

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

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

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

35 **Sec. 2.** RCW 48.19.060 and 1989 c 25 s 5 are each amended to read
36 as follows:

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

4 (2) Except as provided in RCW 48.19.070:

5 (a) No such filing shall become effective within (~~(thirty)~~) sixty
6 days after the date of filing with the commissioner, which period may
7 be extended by the commissioner for an additional period not to exceed
8 fifteen days if he or she gives notice within such waiting period to
9 the insurer or rating organization which made the filing that he or she
10 needs such additional time for the consideration of the filing. The
11 commissioner may, upon application and for cause shown, waive such
12 waiting period or part thereof as to a filing that he or she has not
13 disapproved.

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

17 **Sec. 3.** RCW 48.19.070 and 1947 c 79 s .19.07 are each amended to
18 read as follows:

19 The following special filings, when not covered by a previous
20 filing, shall become effective when filed and shall be deemed to meet
21 the requirements of this chapter until such time as the commissioner
22 reviews the filing and for so long thereafter as the filing remains in
23 effect:

24 (1) Special filings with respect to surety or guaranty bonds
25 required by law or by court or executive order or by order, rule or
26 regulation of a public body.

27 (2) Specific rates on (~~(inland marine)~~) risks individually rated
28 (~~(by a rating organization,)~~) which (~~(risks)~~) are not reasonably
29 susceptible to manual or schedule rating, and which risks by general
30 custom of the business are not written according to manual rates or
31 rating plans.

32 **Sec. 4.** RCW 48.19.110 and 1947 c 79 s .19.11 are each amended to
33 read as follows:

34 (1) If within (~~(thirty)~~) sixty days after a special filing subject
35 to RCW 48.19.070 has become effective, the commissioner finds that the
36 filing does not meet the requirements of this chapter, he or she shall
37 disapprove the filing and shall give notice to the insurer or rating

1 organization which made the filing, specifying in what respects he or
2 she finds that the filing fails to meet such requirements and stating
3 when, within a reasonable period thereafter, the filing shall be deemed
4 no longer effective.

5 (2) Such disapproval shall not affect any contract made or issued
6 prior to the expiration of the period set forth in the notice of
7 disapproval.

8 **Sec. 5.** RCW 48.21A.060 and 1965 ex.s. c 70 s 32 are each amended
9 to read as follows:

10 The forms of the policies, applications, certificates or other
11 evidence of insurance coverage and applicable premium rates relating
12 thereto shall be filed with the commissioner. No such policy,
13 contract, or other evidence of insurance, application or other form
14 shall be sold, issued or used and no endorsement shall be attached to
15 or printed or stamped thereon unless the form thereof shall have been
16 approved by the commissioner or ((~~thirty~~)) sixty days shall have
17 expired after such filing without written notice from the commissioner
18 of disapproval thereof. The commissioner shall disapprove the forms of
19 such insurance if he or she finds that they are unjust, unfair,
20 inequitable, misleading or deceptive or that the rates are by
21 reasonable assumption excessive in relation to the benefits provided.
22 In determining whether such rates by reasonable assumptions are
23 excessive in relation to the benefits provided, the commissioner shall
24 give due consideration to past and prospective claim experience, within
25 and outside this state, and to fluctuations in such claim experience,
26 to a reasonable risk charge, to contribution to surplus and contingency
27 funds, to past and prospective expenses, both within and outside this
28 state, and to all other relevant factors within and outside this state
29 including any differing operating methods of the insurers joining in
30 the issue of the policy. In exercising the powers conferred upon him
31 or her by this chapter, the commissioner shall not be bound by any
32 other requirement of this code with respect to standard provisions to
33 be included in disability policies or forms.

34 The commissioner may, after hearing upon written notice, withdraw
35 an approval previously given, upon such grounds as in his or her
36 opinion would authorize disapproval upon original submission thereof.
37 Any such withdrawal of approval after hearing shall be by notice in
38 writing specifying the ground thereof and shall be effective at the

1 expiration of such period, not less than ninety days after the giving
2 of notice of withdrawal, as the commissioner shall in such notice
3 prescribe.

4 If and when a program of hospital, surgical, and medical benefits
5 is enacted by the federal government or the state of Washington, the
6 extended health insurance benefits provided by policies issued under
7 this chapter shall be adjusted to avoid any duplication of benefits
8 offered by the federal or state programs and the premium rates
9 applicable thereto shall be adjusted to conform with the adjusted
10 benefits.

11 The association shall submit an annual report to the insurance
12 commissioner which shall become public information and shall provide
13 information as to the number of persons insured, the names of the
14 insurers participating in the association with respect to insurance
15 offered under this chapter and the calendar year experience applicable
16 to such insurance offered under this chapter, including premiums
17 earned, claims paid during the calendar year, the amount of claims
18 reserve established, administrative expenses, commissions, promotional
19 expenses, taxes, contingency reserve, other expenses, and profit and
20 loss for the year. The commissioner shall require the association to
21 provide any and all information concerning the operations of the
22 association deemed relevant by him or her for inclusion in the report.

23 **Sec. 6.** RCW 48.66.035 and 1992 c 138 s 3 are each amended to read
24 as follows:

25 (1) A medicare supplement insurance policy or certificate form or
26 application form, rider, or endorsement shall not be issued, delivered,
27 or used unless it has been filed with and approved by the commissioner.

28 (2) Rates, or modification of rates, for medicare supplement
29 policies or certificates shall not be used until filed with and
30 approved by the commissioner.

31 (3) Every filing shall be received not less than (~~thirty~~) sixty
32 days in advance of any such issuance, delivery, or use. At the
33 expiration of (~~such thirty~~) the sixty days the form or rate so filed
34 shall be deemed approved unless prior thereto it has been affirmatively
35 approved or disapproved by order of the commissioner. The commissioner
36 may extend by not more than an additional fifteen days the period
37 within which he or she may affirmatively approve or disapprove any such
38 form or rate, by giving notice of such extension before expiration of

1 the initial (~~(thirty-day)~~) sixty-day waiting period. At the expiration
2 of any such period as so extended, and in the absence of such prior
3 affirmative approval or disapproval, any such form or rate shall be
4 deemed approved. A filing of a form or rate or modification thereto
5 may not be deemed approved unless the filing contains all required
6 documents prescribed by the commissioner. The commissioner may
7 withdraw any such approval at any time for cause. By approval of any
8 such form or rate for immediate use, the commissioner may waive any
9 unexpired portion of such initial (~~(thirty-day)~~) sixty-day waiting
10 period.

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

13 (5) A form or rate shall not knowingly be issued, delivered, or
14 used if the commissioner's approval does not then exist.

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