
SENATE BILL 5798

State of Washington

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2024 Regular Session

By Senators Kuderer, Shewmake, Hasegawa, and Wellman

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1 AN ACT Relating to extending the required notice of cancellation
2 or nonrenewal of certain types of insurance policies to 60 days; and
3 amending RCW 48.18.290, 48.18.2901, 48.18.291, and 48.18.292.

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

5 **Sec. 1.** RCW 48.18.290 and 2006 c 8 s 212 are each amended to
6 read as follows:

7 (1) Cancellation by the insurer of any policy which by its terms
8 is cancellable at the option of the insurer, or of any binder based
9 on such policy which does not contain a clearly stated expiration
10 date, may be effected as to any interest only upon compliance with
11 the following:

12 (a) For all insurance policies other than medical malpractice
13 insurance policies or fire insurance policies canceled under RCW
14 48.53.040:

15 (i) The insurer must deliver or mail written notice of
16 cancellation to the named insured at least (~~forty-five~~) 60 days
17 before the effective date of the cancellation; and

18 (ii) The cancellation notice must include the insurer's actual
19 reason for canceling the policy.

20 (b) For medical malpractice insurance policies:

1 (i) The insurer must deliver or mail written notice of the
2 cancellation to the named insured at least (~~ninety~~) 90 days before
3 the effective date of the cancellation; and

4 (ii) The cancellation notice must include the insurer's actual
5 reason for canceling the policy and describe the significant risk
6 factors that led to the insurer's underwriting action, as defined
7 under RCW 48.18.547(1)(e).

8 (c) If an insurer cancels a policy described under (a) or (b) of
9 this subsection for nonpayment of premium, the insurer must deliver
10 or mail the cancellation notice to the named insured at least (~~ten~~)
11 10 days before the effective date of the cancellation.

12 (d) If an insurer cancels a fire insurance policy under RCW
13 48.53.040, the insurer must deliver or mail the cancellation notice
14 to the named insured at least five days before the effective date of
15 the cancellation.

16 (e) Like notice must also be so delivered or mailed to each
17 mortgagee, pledgee, or other person shown by the policy to have an
18 interest in any loss which may occur thereunder. For purposes of this
19 subsection (1)(e), "delivered" includes electronic transmittal,
20 facsimile, or personal delivery.

21 (2) The mailing of any such notice shall be effected by
22 depositing it in a sealed envelope, directed to the addressee at his
23 or her last address as known to the insurer or as shown by the
24 insurer's records, with proper prepaid postage affixed, in a letter
25 depository of the United States post office. The insurer shall retain
26 in its records any such item so mailed, together with its envelope,
27 which was returned by the post office upon failure to find, or
28 deliver the mailing to, the addressee.

29 (3) The affidavit of the individual making or supervising such a
30 mailing, shall constitute prima facie evidence of such facts of the
31 mailing as are therein affirmed.

32 (4) The portion of any premium paid to the insurer on account of
33 the policy, unearned because of the cancellation and in amount as
34 computed on the pro rata basis, must be actually paid to the insured
35 or other person entitled thereto as shown by the policy or by any
36 endorsement thereon, or be mailed to the insured or such person as
37 soon as possible, and no later than (~~forty-five~~) 45 days after the
38 date of notice of cancellation to the insured for homeowners',
39 dwelling fire, and private passenger auto. Any such payment may be
40 made by cash, or by check, bank draft, or money order.

1 (5) This section shall not apply to contracts of life or
2 disability insurance without provision for cancellation prior to the
3 date to which premiums have been paid, or to contracts of insurance
4 procured under the provisions of chapter 48.15 RCW.

5 **Sec. 2.** RCW 48.18.2901 and 2006 c 8 s 213 are each amended to
6 read as follows:

7 (1) Each insurer must renew any insurance policy subject to RCW
8 48.18.290 unless one of the following situations exists:

9 (a)(i) For all insurance policies subject to RCW 48.18.290(1)(a):

10 (A) The insurer must deliver or mail written notice of nonrenewal
11 to the named insured at least (~~(forty-five))~~ 60 days before the
12 expiration date of the policy; and

13 (B) The notice must include the insurer's actual reason for
14 refusing to renew the policy.

15 (ii) For medical malpractice insurance policies subject to RCW
16 48.18.290(1)(b):

17 (A) The insurer must deliver or mail written notice of the
18 nonrenewal to the named insured at least (~~(ninety))~~ 90 days before
19 the expiration date of the policy; and

20 (B) The notice must include the insurer's actual reason for
21 refusing to renew the policy and describe the significant risk
22 factors that led to the insurer's underwriting action, as defined
23 under RCW 48.18.547(1)(e);

24 (b) At least (~~(twenty))~~ 20 days prior to its expiration date, the
25 insurer has communicated, either directly or through its agent, its
26 willingness to renew in writing to the named insured and has included
27 in that writing a statement of the amount of the premium or portion
28 thereof required to be paid by the insured to renew the policy, and
29 the insured fails to discharge when due his or her obligation in
30 connection with the payment of such premium or portion thereof;

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

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

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

1 (2) Any insurer failing to include in the notice required by
2 subsection (1)(b) of this section the amount of any increased premium
3 resulting from a change of rates and an explanation of any change in
4 the contract provisions shall renew the policy if so required by that
5 subsection according to the rates and contract provisions applicable
6 to the expiring policy. However, renewal based on the rates and
7 contract provisions applicable to the expiring policy shall not
8 prevent the insurer from making changes in the rates and/or contract
9 provisions of the policy once during the term of its renewal after at
10 least (~~twenty~~) 20 days' advance notice of such change has been
11 given to the named insured.

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

16 (4) "Renewal" or "to renew" means the issuance and delivery by an
17 insurer of a contract of insurance replacing at the end of the
18 contract period a contract of insurance previously issued and
19 delivered by the same insurer, or the issuance and delivery of a
20 certificate or notice extending the term of a contract beyond its
21 policy period or term. However, (a) any contract of insurance with a
22 policy period or term of six months or less whether or not made
23 continuous for successive terms upon the payment of additional
24 premiums shall for the purpose of RCW 48.18.290 and 48.18.293 through
25 48.18.295 be considered as if written for a policy period or term of
26 six months; and (b) any policy written for a term longer than one
27 year or any policy with no fixed expiration date, shall, for the
28 purpose of RCW 48.18.290 and 48.18.293 through 48.18.295, be
29 considered as if written for successive policy periods or terms of
30 one year.

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

34 **Sec. 3.** RCW 48.18.291 and 2003 c 248 s 5 are each amended to
35 read as follows:

36 (1) A contract of insurance predicated wholly or in part upon the
37 use of a private passenger automobile may not be terminated by
38 cancellation by the insurer until at least (~~twenty~~) 60 days after
39 mailing written notice of cancellation to the named insured at the

1 latest address filed with the insurer by or on behalf of the named
2 insured, accompanied by the reason therefor. If cancellation is for
3 nonpayment of premium, or is within the first (~~thirty~~) 30 days
4 after the contract has been in effect, at least (~~ten~~) 10 days'
5 notice of cancellation, accompanied by the reason therefor, shall be
6 given. In case of a contract evidenced by a written binder which has
7 been delivered to the insured, if the binder contains a clearly
8 stated expiration date, no additional notice of cancellation or
9 nonrenewal is required.

10 (2)(a) A notice of cancellation by the insurer as to a contract
11 of insurance to which subsection (1) of this section applies is not
12 valid if sent more than (~~sixty~~) 60 days after the contract has been
13 in effect unless:

14 (i) The named insured fails to discharge when due any of his or
15 her obligations in connection with the payment of premium for the
16 policy or any installment thereof, whether payable directly to the
17 insurer or to its agent or indirectly under any premium finance plan
18 or extension of credit; or

19 (ii) The driver's license of the named insured, or of any other
20 operator who customarily operates an automobile insured under the
21 policy, has been suspended, revoked, or canceled during the policy
22 period or, if the policy is a renewal, during its policy period or
23 the (~~one hundred eighty~~) 180 days immediately preceding the
24 effective date of the renewal policy.

25 (b) Modification by the insurer of automobile physical damage
26 coverage by the inclusion of a deductible not exceeding (~~one hundred~~
27 ~~dollars~~) \$100 is not a cancellation of the coverage or of the
28 policy.

29 (3) The substance of subsections (1) and (2)(a) of this section
30 must be set forth in each contract of insurance subject to the
31 provisions of subsection (1) of this section, and may be in the form
32 of an attached endorsement.

33 (4) A notice of cancellation of a policy that may be canceled
34 only pursuant to subsection (2) of this section is not effective
35 unless the reason therefor accompanies or is included in the notice
36 of cancellation.

37 **Sec. 4.** RCW 48.18.292 and 2008 c 217 s 17 are each amended to
38 read as follows:

1 (1) Each insurer shall be required to renew any contract of
2 insurance subject to RCW 48.18.291 unless one of the following
3 situations exists:

4 (a) The insurer gives the named insured at least (~~twenty~~) 60
5 days' notice in writing as provided for in RCW 48.18.291(1), that it
6 proposes to refuse to renew the insurance contract upon its
7 expiration date; and sets forth therein the actual reason for
8 refusing to renew; or

9 (b) At least (~~twenty~~) 60 days prior to its expiration date, the
10 insurer has communicated its willingness to renew in writing to the
11 named insured, and has included therein a statement of the amount of
12 the premium or portion thereof required to be paid by the insured to
13 renew the policy, including the amount by which the premium or
14 deductibles have changed from the previous policy period, and the
15 date by which such payment must be made, and the insured fails to
16 discharge when due his or her obligation in connection with the
17 payment of such premium or portion thereof; or

18 (c) The insured's insurance producer has procured other coverage
19 acceptable to the insured prior to the expiration of the policy
20 period.

21 (2) Renewal of a policy shall not constitute a waiver or estoppel
22 with respect to grounds for cancellation which existed before the
23 effective date of such renewal.

24 (3) "Renewal" or "to renew" means the issuance and delivery by an
25 insurer of a contract of insurance replacing at the end of the
26 contract period a contract of insurance previously issued and
27 delivered by the same insurer, or the issuance and delivery of a
28 certificate or notice extending the term of a contract beyond its
29 policy period or term: PROVIDED, HOWEVER, That any contract of
30 insurance with a policy period or term of six months or less whether
31 or not made continuous for successive terms upon the payment of
32 additional premiums shall for the purpose of RCW 48.18.291 through
33 48.18.297 be considered as if written for a policy period or term of
34 six months: PROVIDED, FURTHER, That any policy written for a term
35 longer than one year or any policy with no fixed expiration date,
36 shall, for the purpose of RCW 48.18.291 through 48.18.297, be
37 considered as if written for successive policy periods or terms of
38 one year.

1 (4) On and after January 1, 1980, no policy of insurance subject
2 to RCW 48.18.291 shall be issued for a policy period or term of less
3 than six months.

4 (5) No insurer shall refuse to renew the liability and/or
5 collision coverage of an automobile insurance policy on the basis
6 that an insured covered by the policy of the insurer has submitted
7 one or more claims under the comprehensive, road service, or towing
8 coverage of the policy. Nothing in this subsection shall prohibit the
9 nonrenewal of comprehensive, road service, or towing coverage on the
10 basis of one or more claims submitted by an insured.

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