

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5798

Chapter 244, Laws of 2024

68th Legislature
2024 Regular Session

INSURANCE CANCELLATION AND NONRENEWAL—NOTICE PERIOD

EFFECTIVE DATE: July 1, 2025

Passed by the Senate March 5, 2024
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Passed by the House March 1, 2024
Yeas 96 Nays 0

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 25, 2024 2:08 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5798** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 26, 2024

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5798

AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

State of Washington **68th Legislature** **2024 Regular Session**

By Senate Business, Financial Services, Gaming & Trade (originally sponsored by Senators Kuderer, Shewmake, Hasegawa, and Wellman)

READ FIRST TIME 01/24/24.

1 AN ACT Relating to extending the required notice of cancellation
2 or nonrenewal of certain types of insurance policies to 60 days;
3 amending RCW 48.18.290 and 48.18.2901; creating a new section; and
4 providing an effective date.

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

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

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

13 (a) For all insurance policies other than medical malpractice
14 insurance policies or fire insurance policies canceled under RCW
15 48.53.040:

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

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

21 (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 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act apply to all
35 affected policies issued or renewed on or after July 1, 2025.

36 NEW SECTION. **Sec. 4.** Sections 1 through 3 of this act take
37 effect July 1, 2025.

Passed by the Senate March 5, 2024.
Passed by the House March 1, 2024.
Approved by the Governor March 25, 2024.
Filed in Office of Secretary of State March 26, 2024.

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