
SUBSTITUTE HOUSE BILL 2384

State of Washington

69th Legislature

2026 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Macri, Reed, Street, Thomas, Ormsby, Scott, Goodman, Hill, Thai, and Bernbaum)

READ FIRST TIME 01/30/26.

1 AN ACT Relating to increasing regulatory oversight of continuing
2 care retirement communities; amending RCW 18.390.010, 18.390.030,
3 18.390.040, 18.390.050, and 48.02.065; adding a new section to
4 chapter 18.390 RCW; adding a new section to chapter 48.02 RCW; and
5 providing an effective date.

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

7 **Sec. 1.** RCW 18.390.010 and 2016 c 183 s 1 are each amended to
8 read as follows:

9 The definitions in this section apply throughout this chapter
10 unless the context clearly requires otherwise.

11 (1) "Application fee" means a fee charged to an individual or
12 individuals prior to the execution of a residency agreement, apart
13 from an entrance fee.

14 (2) "Care" means nursing, medical, or other health-related
15 services, protection or supervision, assistance with activities of
16 daily living, or any combination of those services.

17 (3) "Continuing care" means directly providing or indirectly
18 making available, upon payment of an entrance fee and under a
19 residency agreement, housing and care for a period of greater than
20 one year.

1 (4) "Continuing care retirement community" or "life plan
2 community" means an entity that agrees to provide continuing care to
3 a resident under a residency agreement with an entrance fee.
4 "Continuing care retirement community" or "life plan community" does
5 not include an assisted living facility licensed under chapter 18.20
6 RCW that does not directly, or through a contractual arrangement with
7 a separately owned and incorporated skilled nursing facility, offer
8 or provide services under chapter 74.42 RCW.

9 (5) "Department" means the department of social and health
10 services.

11 (6) "Entrance fee" means an initial or deferred transfer to a
12 continuing care retirement community of a sum of money or other
13 property made or promised to be made as full or partial consideration
14 for acceptance of one or more residents in a continuing care
15 retirement community. "Entrance fee" does not include deposits of ten
16 thousand dollars or less or any amount that is based on rental or
17 lease payments of one month or more.

18 (7) "Life care contract," also known as a type A contract, means
19 a contract to provide a person, for the duration of the person's life
20 or for a term in excess of one year, and conditioned upon payment of
21 an entrance fee in addition to or in lieu of the payment of
22 additional recurring charges for the care and services involved:

23 (a) At least one of the following services:

24 (i) Nursing services;

25 (ii) Medical services;

26 (iii) Personal care services; or

27 (iv) Any combination of the services in (i) through (iii) of this
28 subsection (a); and

29 (b) Board and lodging for the person in a continuing care
30 retirement community.

31 (8) "Office" means the office of the insurance commissioner.

32 (9) "Prospective resident" means a person who has completed an
33 application for admission to a continuing care retirement community
34 and makes a refundable deposit to reserve a unit, excluding
35 applicable administrative fees.

36 ~~((+8))~~ (10) "Residency agreement" means a contract between a
37 continuing care retirement community and a resident for the provision
38 of continuing care for a period of greater than one year.

39 ~~((+9))~~ (11) "Resident" means a person who enters into a
40 residency agreement with a continuing care retirement community or

1 who is designated in a residency agreement to be a person being
2 provided with continuing care.

3 **Sec. 2.** RCW 18.390.030 and 2025 c 218 s 2 are each amended to
4 read as follows:

5 (1) An applicant for a registration as a continuing care
6 retirement community must submit the following materials to the
7 department:

8 (a) A written application to the department providing all
9 necessary information on a form provided by the department;

10 (b) Information about the licensed assisted living facility
11 component of the continuing care retirement community and, if the
12 continuing care retirement community operates a nursing home,
13 information about that component;

14 (c) Copies of any residency agreements that the continuing care
15 retirement community intends to use for the certification period;

16 (d) A written statement indicating whether the residency
17 agreement includes an entrance fee in lieu of payment for future care
18 and services and, if so, whether those services are covered
19 completely or partially by the entrance fee;

20 (e) A copy of the disclosure statement that includes current
21 information required by RCW 18.390.060;

22 (f) (i) Except as provided in (f) (ii) of this subsection, copies
23 of audited financial statements for the two most recent fiscal years.
24 The audited financial statement for the most current period may not
25 have been prepared more than eighteen months prior to the date that
26 the continuing care retirement community applied for its current
27 registration;

28 (ii) If the continuing care retirement community:

29 (A) Has obtained financing, but has been in operation less than
30 two years, a copy of the audited financial statement for the most
31 current period, if available, and an independent accountant's report
32 opinion letter that has evaluated the financial feasibility of the
33 continuing care retirement community; or

34 (B) Has not obtained financing, a summary of the actuarial
35 analysis for the new continuing care retirement community stating
36 that the continuing care retirement community is in satisfactory
37 actuarial balance;

38 (g) An attestation by a management representative of the
39 continuing care retirement community that the continuing care

1 retirement community is in compliance with the disclosure
2 notification requirements of RCW 18.390.060; (~~and~~)

3 (h) Beginning July 1, 2027, if the applicant offers residency
4 agreements that include life care contracts, an actuarial analysis
5 for review pursuant to the process in section 5 of this act. The
6 actuarial analysis must have been prepared by a qualified actuary and
7 include an actuarial memorandum and certification. The actuarial
8 analysis submission requirement applies to every other registration
9 renewal application beginning with the second renewal application.
10 The department may stagger the initial imposition of the requirements
11 of this section, as applied to renewal applications, to allow the
12 office to conduct its responsibilities under section 5 of this act on
13 a regular basis without fluctuations in workflow; and

14 (i) Payment of any registration fees associated with the
15 department's cost of registering continuing care retirement
16 communities.

17 (2) The department shall base its decision to issue a
18 registration on the completeness of the application and, as required,
19 the receipt of a notice of completion of an actuarial analysis review
20 from the office under section 5 of this act. If an application is
21 incomplete, the department shall inform the applicant and give the
22 applicant an opportunity to supplement its submission. An applicant
23 may appeal a decision of the department to deny an application for
24 registration.

25 (3) The department shall issue the registration within (~~sixty~~)
26 60 days of the receipt of a complete application, payment of fees,
27 submission of disclosures, residency agreements, (~~and~~) the
28 attestation, and, as required, the actuarial analysis. If an
29 application requires review of the actuarial analysis by the office
30 and all other materials have been deemed sufficient by the
31 department, the department may issue a provisional registration while
32 the results of the review of the actuarial analysis are pending. The
33 department's failure to timely issue a registration may not cause a
34 delay in the change of ownership and ongoing operation of the
35 continuing care retirement community.

36 (4) Registration is valid for two years.

37 (5) Registration is not transferable.

38 (6) Materials submitted pursuant to this section are not subject
39 to disclosure under the public records act, chapter 42.56 RCW.

1 **Sec. 3.** RCW 18.390.040 and 2016 c 183 s 4 are each amended to
2 read as follows:

3 (1) The department shall:

4 (a) Register an entity that submits a complete application that
5 includes all of the materials required in RCW 18.390.030 and
6 receives, as required, a notice of completion of an actuarial
7 analysis review from the office under section 5 of this act;

8 (b) Review the disclosure statements submitted by applicants for
9 an initial or renewal registration to operate a continuing care
10 retirement community for completeness;

11 (c) Establish and collect a fee that is sufficient to cover the
12 department's costs associated with administering the requirements of
13 this chapter, including the costs to reimburse the office for its
14 costs associated with providing actuarial reviews under section 5 of
15 this act; and

16 (d) Create and maintain an online listing that is readily
17 available to the public of the names and addresses of continuing care
18 retirement communities that are registered with the department. The
19 online listing shall include a link to the results of any actuarial
20 analysis review received by the department from the office.

21 (2) The department's registration activities consist of reviewing
22 an application for completeness and receipt of actuarial analysis
23 review notices from the office under section 5 of this act and do not
24 signify that the department has otherwise issued a certification or
25 license to the continuing care retirement community or any of its
26 component parts.

27 (3) The department may adopt rules to administer this chapter.

28 **Sec. 4.** RCW 18.390.050 and 2016 c 183 s 5 are each amended to
29 read as follows:

30 An entity that is not registered with the department may not
31 represent itself, or refer to itself in advertising and marketing
32 materials as a "registered continuing care retirement
33 community," ((~~or~~)) "continuing care retirement community," or "life
34 plan community" as defined by this chapter.

35 NEW SECTION. **Sec. 5.** A new section is added to chapter 18.390
36 RCW to read as follows:

37 (1) The department and the office shall collaborate to develop a
38 process for the department to transmit actuarial analyses received

1 under RCW 18.390.030(1)(h) to the office for review and for the
2 office to return the results of the review to the department for
3 consideration in its registration decision.

4 (2) The department shall adopt standards for the contents of the
5 actuarial analysis to be submitted. The standards shall be based on
6 information that the office determines is necessary to conduct its
7 review in subsection (3) of this section.

8 (3)(a) The office shall develop standards for the review of
9 actuarial analyses received from the department. The standards must
10 establish a process for determining the applicant's ability to meet
11 its overall contract obligations under its life care contracts in
12 accordance with currently accepted actuarial standards of practice,
13 such as those adopted by the actuarial standards board. The standards
14 shall consider whether the applicant's actuarial balance is
15 satisfactory and reflects liabilities that are sufficient to cover
16 obligations under moderately adverse conditions during the testing
17 period. The term "moderately adverse conditions" anticipates
18 unfavorable, but not extreme, events with a reasonable probability of
19 occurring during the testing period.

20 (b) The office shall review actuarial analyses as required under
21 RCW 18.390.030(1)(h).

22 (i) If the office's review of the applicant's actuarial analysis
23 determines that the applicant's actuarial balance is satisfactory
24 under the standards established in (a) of this subsection, it will
25 notify the department of the results.

26 (ii) If the office's review of the applicant's actuarial analysis
27 determines that the applicant's actuarial balance is not satisfactory
28 under the standards established in (a) of this subsection, it will
29 notify the department of the results and notify the applicant of the
30 right to an appeal of the decision and the reasons for the
31 determination in sufficient detail that the applicant may attempt to
32 cure alleged deficiencies.

33 (c) Any appeal by an applicant regarding a determination under
34 (b)(ii) of this subsection shall be made to the office.

35 (d) The office is not required to prepare or provide any
36 materials, other than written notice to the department of its review
37 determination under (b) of this subsection, or review any materials,
38 other than the actuarial analysis prepared by a qualified actuary and
39 provided by the applicant.

1 (e) Nothing in this subsection prohibits the office from
2 communicating with the applicant's actuarial representative for
3 purposes of obtaining information necessary to complete its review.
4 However, formal notice to the applicant shall be provided by the
5 department.

6 NEW SECTION. **Sec. 6.** A new section is added to chapter 48.02
7 RCW to read as follows:

8 The insurance commissioner is authorized to perform functions
9 required under chapter 18.390 RCW related to the review of actuarial
10 analyses submitted by applicants for registration as a continuing
11 care retirement community, including establishing standards for
12 actuarial materials to be submitted and for the qualifications of the
13 actuaries preparing the actuarial analyses. The insurance
14 commissioner may adopt rules related to its responsibilities under
15 chapter 18.390 RCW, as necessary.

16 **Sec. 7.** RCW 48.02.065 and 2024 c 123 s 1 are each amended to
17 read as follows:

18 (1) Documents, materials, or other information as described in
19 subsections (5), (6), (7), ~~((and))~~ (8), and (9) of this section are
20 confidential by law and privileged, are not subject to public
21 disclosure under chapter 42.56 RCW, and are not subject to subpoena
22 directed to the commissioner or any person who received documents,
23 materials, or other information while acting under the authority of
24 the commissioner. The commissioner is authorized to use such
25 documents, materials, or other information in the furtherance of any
26 regulatory or legal action brought as a part of the commissioner's
27 official duties. The confidentiality and privilege created by this
28 section and RCW 42.56.400(8) applies only to the commissioner, any
29 person acting under the authority of the commissioner, the national
30 association of insurance commissioners and its affiliates and
31 subsidiaries, regulatory and law enforcement officials of other
32 states and nations, the federal government, and international
33 authorities.

34 (2) Neither the commissioner nor any person who received
35 documents, materials, or other information while acting under the
36 authority of the commissioner is permitted or required to testify in
37 any private civil action concerning any confidential and privileged

1 documents, materials, or information subject to subsection (1) of
2 this section.

3 (3) The commissioner:

4 (a) May share documents, materials, or other information,
5 including the confidential and privileged documents, materials, or
6 information subject to subsection (1) of this section, with (i) the
7 national association of insurance commissioners and its affiliates
8 and subsidiaries, (ii) regulatory and law enforcement officials of
9 other states and nations, the federal government, and international
10 authorities, and (iii) agencies of this state, if the recipient
11 agrees to maintain the confidentiality and privileged status of the
12 document, material, or other information;

13 (b) May receive documents, materials, or information, including
14 otherwise either confidential or privileged, or both, documents,
15 materials, or information, from (i) the national association of
16 insurance commissioners and its affiliates and subsidiaries, and (ii)
17 regulatory and law enforcement officials of other states and nations,
18 the federal government, and international authorities and shall
19 maintain as confidential and privileged any document, material, or
20 information received that is either confidential or privileged, or
21 both, under the laws of the jurisdiction that is the source of the
22 document, material, or information; and

23 (c) May enter into agreements governing the sharing and use of
24 information consistent with this subsection.

25 (4) No waiver of an existing privilege or claim of
26 confidentiality in the documents, materials, or information may occur
27 as a result of disclosure to the commissioner under this section or
28 as a result of sharing as authorized in subsection (3) of this
29 section.

30 (5) Documents, materials, or information, which is either
31 confidential or privileged, or both, which has been provided to the
32 commissioner by (a) the national association of insurance
33 commissioners and its affiliates and subsidiaries, (b) regulatory or
34 law enforcement officials of other states and nations, the federal
35 government, or international authorities, or (c) agencies of this
36 state, is confidential and privileged only if the documents,
37 materials, or information is protected from disclosure by the
38 applicable laws of the jurisdiction that is the source of the
39 document, material, or information.

1 (6) Working papers, documents, materials, or information produced
2 by, obtained by, or disclosed to the commissioner or any other person
3 in the course of a financial or market conduct examination, or in the
4 course of financial analysis or market conduct desk audit, are not
5 required to be disclosed by the commissioner unless cited by the
6 commissioner in connection with an agency action as defined in RCW
7 34.05.010(3). The commissioner shall notify a party that produced the
8 documents, materials, or information five business days before
9 disclosure in connection with an agency action. The notified party
10 may seek injunctive relief in any Washington state superior court to
11 prevent disclosure of any documents, materials, or information it
12 believes is confidential or privileged. In civil actions between
13 private parties or in criminal actions, disclosure to the
14 commissioner under this section does not create any privilege or
15 claim of confidentiality or waive any existing privilege or claim of
16 confidentiality.

17 (7) Documents, materials, or information provided to the
18 commissioner by the federal government related to emergency
19 management, hazard mitigation, and the national flood insurance
20 program are confidential by law and privileged, and are not subject
21 to public disclosure under chapter 42.56 RCW.

22 (8) Data requested by the commissioner from property and casualty
23 entities regulated by the commissioner for the purpose of
24 understanding and studying insurance market conditions outside the
25 context of market conduct action is confidential by law and
26 privileged and is not subject to public disclosure under chapter
27 42.56 RCW. Nothing in this section prohibits the commissioner from
28 preparing and publishing reports, analysis, or other documents using
29 the data received from individual property and casualty companies so
30 long as the data in the report is in aggregate form and does not
31 permit the identification of information related to individual
32 companies. Data in the aggregate form are deemed open records
33 available for public inspection. Nothing in this section affects,
34 limits, or amends the commissioner's authority under chapter 48.37
35 RCW.

36 (9) Documents, materials, and information related to the
37 commissioner's responsibility to review actuarial analyses under
38 section 3 of this act as provided to the commissioner directly by
39 applicants for registration as a continuing care retirement community
40 under chapter 18.390 RCW or indirectly by the department of social

1 and health services are confidential by law and privileged, and are
2 not subject to public disclosure under chapter 42.56 RCW.

3 (10)(a) After receipt of a public disclosure request, the
4 commissioner shall disclose the documents, materials, or information
5 under subsection (6) of this section that relate to a financial or
6 market conduct examination undertaken as a result of a proposed
7 change of control of a nonprofit or mutual health insurer governed in
8 whole or in part by chapter 48.31B RCW.

9 (b) The commissioner is not required to disclose the documents,
10 materials, or information in (a) of this subsection if:

11 (i) The documents, materials, or information are otherwise
12 privileged or exempted from public disclosure; or

13 (ii) The commissioner finds that the public interest in
14 disclosure of the documents, materials, or information is outweighed
15 by the public interest in nondisclosure in that particular instance.

16 (10) Any person may petition a Washington state superior court to
17 allow inspection of information exempt from public disclosure under
18 subsection (6) of this section when the information is connected to
19 allegations of negligence or malfeasance by the commissioner related
20 to a financial or market conduct examination. The court shall conduct
21 an in-camera review after notifying the commissioner and every party
22 that produced the information. The court may order the commissioner
23 to allow the petitioner to have access to the information provided
24 the petitioner maintains the confidentiality of the information. The
25 petitioner must not disclose the information to any other person,
26 except upon further order of the court. After conducting a regular
27 hearing, the court may order that the information can be disclosed
28 publicly if the court finds that there is a public interest in the
29 disclosure of the information and the exemption of the information
30 from public disclosure is clearly unnecessary to protect any
31 individual's right of privacy or any vital governmental function.

32 NEW SECTION. **Sec. 8.** This act takes effect July 1, 2027.

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