

---

**SECOND SUBSTITUTE HOUSE BILL 2384**

---

**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Macri, Reed, Street, Thomas, Ormsby, Scott, Goodman, Hill, Thai, and Bernbaum)

READ FIRST TIME 02/09/26.

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 to the department.

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 materials that the office determines is necessary to  
6 conduct its review in subsection (3) of this section.

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

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

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

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

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

34 (d) The office is not required to prepare or provide any  
35 materials, other than written notice to the department of its review  
36 determination under (b) of this subsection and written notice to the  
37 applicant of the right to an appeal of a determination under (b) of  
38 this subsection and the reasons for the determination, or review any  
39 materials, other than the actuarial analysis prepared by a qualified  
40 actuary and 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 The office may request additional actuarial materials as needed to  
5 conduct its review.

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 the  
12 review of actuarial analyses, the qualifications of the actuaries  
13 preparing the actuarial analyses, and the administration of appeals  
14 under chapter 48.04 RCW for determinations that an applicant's  
15 actuarial balance is not satisfactory under subsection 5(3)(b)(ii) of  
16 this act. The insurance commissioner may adopt rules related to its  
17 responsibilities under chapter 18.390 RCW, as necessary.

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

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

36 (2) Neither the commissioner nor any person who received  
37 documents, materials, or other information while acting under the  
38 authority of the commissioner is permitted or required to testify in

1 any private civil action concerning any confidential and privileged  
2 documents, materials, or information subject to subsection (1) of  
3 this section.

4 (3) The commissioner:

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

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

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

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

31 (5) Documents, materials, or information, which is either  
32 confidential or privileged, or both, which has been provided to the  
33 commissioner by (a) the national association of insurance  
34 commissioners and its affiliates and subsidiaries, (b) regulatory or  
35 law enforcement officials of other states and nations, the federal  
36 government, or international authorities, or (c) agencies of this  
37 state, is confidential and privileged only if the documents,  
38 materials, or information is protected from disclosure by the  
39 applicable laws of the jurisdiction that is the source of the  
40 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.

--- END ---