
HOUSE BILL 2384

State of Washington

69th Legislature

2026 Regular Session

By Representatives Macri, Reed, Street, Thomas, Ormsby, Scott, Goodman, Hill, Thai, and Bernbaum

Prefiled 01/09/26. Read first time 01/12/26. Referred to Committee on Health Care & Wellness.

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, nursing services, medical
21 services, or personal care services in addition to board and lodging
22 for the person in a continuing care retirement community, conditioned
23 upon payment of an entrance fee in addition to or in lieu of the
24 payment of regular periodic charges for the care and services
25 involved, unless the contract expressly excludes some or all of such
26 services.

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

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

32 ~~((8))~~ (10) "Residency agreement" means a contract between a
33 continuing care retirement community and a resident for the provision
34 of continuing care for a period of greater than one year.

35 ~~((9))~~ (11) "Resident" means a person who enters into a
36 residency agreement with a continuing care retirement community or
37 who is designated in a residency agreement to be a person being
38 provided with continuing care.

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

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

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

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

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

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

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

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

26 (ii) If the continuing care retirement community:

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

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

36 (g) An attestation by a management representative of the
37 continuing care retirement community that the continuing care
38 retirement community is in compliance with the disclosure
39 notification requirements of RCW 18.390.060; (~~and~~)

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

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

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

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

35 (4) Registration is valid for two years.

36 (5) Registration is not transferable.

37 (6) Materials submitted pursuant to this section are not subject
38 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 satisfactory actuarial analysis
7 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.

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

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

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

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

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

35 (1) The department and the office shall collaborate to develop a
36 process for the department to transmit actuarial analyses received
37 under RCW 18.390.030(1)(h) to the office for review and for the

1 office to return the results of the review to the department for
2 consideration in its registration decision.

3 (2) The department shall adopt standards for the contents of the
4 actuarial analysis to be submitted. The standards shall be based on
5 information that the office determines is necessary to conduct its
6 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 residency agreements 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 will be able to meet its overall
23 contract obligations under the standard established in (a) of this
24 subsection, it will notify the department that the applicant has
25 satisfied the review requirement in RCW 18.390.030(2).

26 (ii) If the office's review of the applicant's actuarial analysis
27 determines that the applicant will not be able to meet its contract
28 obligations under the standard established in (a) of this subsection,
29 it will notify the department that the applicant has not satisfied
30 the review requirement in RCW 18.390.030(2) and notify the applicant
31 of the right to an appeal of the decision.

32 (c) Any appeal by an applicant regarding a determination under
33 (b)(ii) of this subsection that the applicant has not satisfied the
34 review requirement in RCW 18.390.030 shall be made to the department.

35 (d) The office is not required to prepare any materials, other
36 than the review of the actuarial analysis, or review any materials,
37 other than the actuarial analysis prepared by a qualified actuary and
38 provided by the applicant.

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

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

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

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

29 (2) Neither the commissioner nor any person who received
30 documents, materials, or other information while acting under the
31 authority of the commissioner is permitted or required to testify in
32 any private civil action concerning any confidential and privileged
33 documents, materials, or information subject to subsection (1) of
34 this section.

35 (3) The commissioner:

36 (a) May share documents, materials, or other information,
37 including the confidential and privileged documents, materials, or
38 information subject to subsection (1) of this section, with (i) the
39 national association of insurance commissioners and its affiliates

1 and subsidiaries, (ii) regulatory and law enforcement officials of
2 other states and nations, the federal government, and international
3 authorities, and (iii) agencies of this state, if the recipient
4 agrees to maintain the confidentiality and privileged status of the
5 document, material, or other information;

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

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

18 (4) No waiver of an existing privilege or claim of
19 confidentiality in the documents, materials, or information may occur
20 as a result of disclosure to the commissioner under this section or
21 as a result of sharing as authorized in subsection (3) of this
22 section.

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

33 (6) Working papers, documents, materials, or information produced
34 by, obtained by, or disclosed to the commissioner or any other person
35 in the course of a financial or market conduct examination, or in the
36 course of financial analysis or market conduct desk audit, are not
37 required to be disclosed by the commissioner unless cited by the
38 commissioner in connection with an agency action as defined in RCW
39 34.05.010(3). The commissioner shall notify a party that produced the
40 documents, materials, or information five business days before

1 disclosure in connection with an agency action. The notified party
2 may seek injunctive relief in any Washington state superior court to
3 prevent disclosure of any documents, materials, or information it
4 believes is confidential or privileged. In civil actions between
5 private parties or in criminal actions, disclosure to the
6 commissioner under this section does not create any privilege or
7 claim of confidentiality or waive any existing privilege or claim of
8 confidentiality.

9 (7) Documents, materials, or information provided to the
10 commissioner by the federal government related to emergency
11 management, hazard mitigation, and the national flood insurance
12 program are confidential by law and privileged, and are not subject
13 to public disclosure under chapter 42.56 RCW.

14 (8) Data requested by the commissioner from property and casualty
15 entities regulated by the commissioner for the purpose of
16 understanding and studying insurance market conditions outside the
17 context of market conduct action is confidential by law and
18 privileged and is not subject to public disclosure under chapter
19 42.56 RCW. Nothing in this section prohibits the commissioner from
20 preparing and publishing reports, analysis, or other documents using
21 the data received from individual property and casualty companies so
22 long as the data in the report is in aggregate form and does not
23 permit the identification of information related to individual
24 companies. Data in the aggregate form are deemed open records
25 available for public inspection. Nothing in this section affects,
26 limits, or amends the commissioner's authority under chapter 48.37
27 RCW.

28 (9) Documents, materials, and information related to the
29 commissioner's responsibility to review actuarial analyses under
30 section 3 of this act as provided to the commissioner directly by
31 applicants for registration as a continuing care retirement community
32 under chapter 18.390 RCW or indirectly by the department of social
33 and health services are confidential by law and privileged, and are
34 not subject to public disclosure under chapter 42.56 RCW.

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

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

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

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

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

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

--- END ---