CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2428

Chapter 62, Laws of 2026

69th Legislature
2026 Regular Session

LIFE INSURANCE POLICIES—LAPSES AND CANCELLATIONS

EFFECTIVE DATE: January 1, 2027

Passed by the House February 12, 2026
Yeas 94 Nays 0

LAURIE JINKINS

Speaker of the House of Representatives

Passed by the Senate March 4, 2026
Yeas 48 Nays 0

DENNY HECK

President of the Senate

Approved March 16, 2026 10:22 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2428** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 17, 2026

Secretary of State
State of Washington

SUBSTITUTE HOUSE BILL 2428

Passed Legislature - 2026 Regular Session

State of Washington 69th Legislature 2026 Regular Session

By House Consumer Protection & Business (originally sponsored by Representatives Leavitt, Reeves, and Parshley)

READ FIRST TIME 02/04/26.

AN ACT Relating to preventing unintentional lapses and cancellations of life insurance policies; amending RCW 48.23.030; adding a new section to chapter 48.23 RCW; creating a new section; and providing an effective date.

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

Sec. 1. RCW 48.23.030 and 1947 c 79 s .23.03 are each amended to read as follows:

(1) There shall be a provision that the insured is entitled to a grace period of one month, but not less than thirty days, within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six percent per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in force, but in case the policy becomes a claim during the grace period before the overdue premium is paid, or the deferred premiums of the current policy year, if any, are paid, the amount of such premium or premiums with interest thereon may be deducted in any settlement under the policy.

(2)(a) Except as provided in subsection (3) of this section, at least 30 days before the day on which coverage under an individual life insurance policy will lapse based on nonpayment of the premium,

the insurer must send a written notice of possible termination of coverage to:

(i) The policyholder at the policyholder's last known address; and

(ii) A third party designated on the account in accordance with section 2 of this act.

(b) An insurer must obtain and, upon request, demonstrate proof of delivery for each notice the insurer sends under (a) of this subsection. Proof of delivery for purposes of this subsection (2)(b) may include records sufficient to show that notices are sent first-class mail using an intelligent mail barcode, or a certified mail receipt, read-receipt for electronic delivery, or tracking confirmation from a shipping service.

(3) The requirements in subsection (2) of this section and section 2 of this act do not apply to:

(a) Group life insurance policies;

(b) Life insurance policies for which payment of premium is due monthly or more frequently;

(c) Term life insurance policies that have a term of one year or less.

NEW SECTION. **Sec. 2.** A new section is added to chapter 48.23 RCW to read as follows:

(1)(a) Except as provided in subsection (4) of this section, an insurer that delivers or issues for delivery an individual life insurance policy in this state must notify the applicant for the policy, in writing at the time of application for the policy, of an applicant's right to designate a third party to receive notice of lapse or termination of the policy based on nonpayment of the premium.

(b) An applicant may make a designation described in (a) of this subsection at the time of application for the policy, or at any time the policy is in force, by submitting a written notice to the insurer containing the name and address of the third-party designee.

(2) In accordance with RCW 48.23.030(2), an insurer must transmit a copy of a notice of lapse or termination of the policy based on nonpayment of the premium to a third party designated in accordance with this section in addition to the transmission of the notice to the policyholder.

(3)(a) The designation of a third party under this section does not create or constitute acceptance of any duty or liability on the part of the third-party designee related to: (i) Informing or not informing the policyholder or any other person about a notice received by the third-party designee under this section; (ii) making a payment of any premium on behalf of the policyholder; (iii) compensating the policyholder, beneficiary, or any other person in relation to a lapse or cancellation of a life insurance policy; or (iv) taking any lawful action upon receiving a notice under this section and RCW 48.23.030(2).

(b) The designation of a third party under this section does not create or constitute acceptance of any liability on the part of the insurer as to the third-party designee related to a failure to send a notice as required by this section and RCW 48.23.030(2).

(4) This section does not apply to life insurance policies identified in RCW 48.23.030(3).

NEW SECTION. **Sec. 3.** This act applies prospectively only and not retroactively. It applies to life insurance policies issued on or after the effective date of this section.

NEW SECTION. **Sec. 4.** This act takes effect January 1, 2027.

Passed by the House February 12, 2026.
Passed by the Senate March 4, 2026.
Approved by the Governor March 16, 2026.
Filed in Office of Secretary of State March 17, 2026.

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