

**WSR 21-01-006  
PERMANENT RULES  
OFFICE OF THE  
INSURANCE COMMISSIONER**

[Filed December 2, 2020, 1:16 p.m., effective January 2, 2021]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The commissioner has created new regulations to provide guidance and establish standards to ensure incentives intended to influence consumer behavior are directed toward protecting policyholders' privacy rights and protecting consumers in the administration of life insurance products. The anticipated effect of the proposed rules is to provide guidance to insurers and implement the legislative amendments made to RCW 48.30.140, 48.30.150, 48.30.155, and 48.23.525 by passage of SSB 6052.

Citation of Rules Affected by this Order: New WAC 284-23-850, 284-23-860, 284-23-870, and 284-23-880.

Statutory Authority for Adoption: RCW 48.02.060 and 48.43.715.

Adopted under notice filed as WSR 20-21-082 on October 19, 2020.

A final cost-benefit analysis is available by contacting Tabba Alam, P.O. Box 40260, Olympia, WA 98504-0260, phone 360-725-7170, email TabbaA@oic.wa.gov, website www.insurance.wa.gov.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 4, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: December 2, 2020.

Mike Kreidler  
Insurance Commissioner

OTS-2572.5

**INCENTIVIZED BENEFITS FOR INDIVIDUAL LIFE INSURANCE**

NEW SECTION

**WAC 284-23-850 Purpose and scope.** The purpose of these rules is to set standards for regulating noninsurance benefits permitted under

RCW 48.23.525 (1)(d) related to any policy of individual life insurance that are intended to incent behavioral changes that improve the health and reduce the risk of death of the insured and establish the minimum practices required in the administration of such noninsurance benefits. These rules apply to the products or services permitted under RCW 48.23.525 (1)(d) related to individual life insurance policies governed by chapter 48.23 RCW. All other requirements applicable to life insurers pursuant to chapters 48.23 RCW and 284-23 WAC apply to life insurers providing such products or services, unless specifically stated otherwise in statute or rule.

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#### NEW SECTION

**WAC 284-23-860 Advertising requirements.** (1) Any advertisement for an individual life insurance policy that provides noninsurance benefits permitted under RCW 48.23.525 (1)(d) that incent healthy behavioral changes that improve the health and reduce the risk of death of the insureds, must contain the following disclaimer:

"Products or services offered under the (program/product name) program are not insurance and are subject to change. For more information, please contact the company at (website address) or via telephone at (number)."

(2) Any advertisement for an individual life insurance policy with noninsurance benefits that has additional costs or participation requirements for these products or services must also contain the following language in the disclaimer, as applicable:

(a) "There are additional costs associated with these products or services"; and/or

(b) "There are additional requirements associated with participation in the program."

(3) Any advertisement for an individual life insurance policy with noninsurance benefits that has penalties for terminating participation for these products or services must also contain the following language in the disclaimer, as applicable:

"There may be penalties for terminating participation in this program."

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#### NEW SECTION

**WAC 284-23-870 Misleading offers to incentivize behavior.** No insurer offering noninsurance benefits permitted under RCW 48.23.525 (1)(d) that incent healthy behavioral changes that improve the health and reduce the risk of death of the insureds in an individual life insurance policy shall make, issue or circulate, or cause to be made, issued or circulated any misrepresentation of the terms of any such product or service or the benefits or advantages promised, or use any name or title of any policy or class of policies misrepresenting the nature thereof.

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NEW SECTION

**WAC 284-23-880 Privacy.** Any insurer including their appointed producer, contractor, managing general agent, or third-party administrator who offers or administers noninsurance benefits permitted under RCW 48.23.525 (1)(d) that incent healthy behavioral changes that improve the health and reduce the risk of death of the insureds is subject to the privacy requirements of chapter 284-04 WAC.

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