

WSR 23-03-018
PERMANENT RULES
OFFICE OF THE
INSURANCE COMMISSIONER

[Insurance Commissioner Matter R 2022-08—Filed January 6, 2023, 3:07 p.m., effective February 6, 2023]

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

Purpose: On August 29, 2022, the Thurston County superior court issued an order (*Nat'l Ass'n of Mut. Ins. Co., et al. v. State of Washington*, Order Granting in Part Petition for Declaratory Relief, Docket No. 22-2-00180-34 (consolidated) (Thurston Co. Sup. Ct., 2022)) invalidating Insurance Commissioner Matter R 2021-07, which temporarily prohibited insurers from using consumer credit histories to set rates for all homeowners, renters, and auto insurance. As a result, there is a conflict between the existing WAC provisions impacted by R 2021-07 and the court's ruling. The purpose of this rule is to align WAC with the court's ruling.

Citation of Rules Affected by this Order: Repealing WAC 284-24A-090; and amending WAC 284-24A-050.

Statutory Authority for Adoption: RCW 48.02.060(3).

Adopted under notice filed as WSR 22-22-050 on October 27, 2022.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 1, Repealed 1.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.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: January 6, 2023.

Mike Kreidler
Insurance Commissioner

OTS-4147.3

AMENDATORY SECTION (Amending WSR 22-04-090, filed 2/1/22, effective 3/4/22)

WAC 284-24A-050 What types of information must an insurer include in a multivariate analysis? (1) A multivariate statistical analysis must evaluate the rating factors listed below (if applicable to the rating plan, and to the extent that data are credible):

(a) For homeowners, dwelling property, earthquake, and personal inland marine insurance:

- (i) Insurance score;
- (ii) Territory and/or geographic area;
- (iii) Protection class;
- (iv) Amount of insurance;

- (v) Surcharges or discounts based on loss history;
- (vi) Number of family units; and
- (vii) Policy form relativity.

(b) For private passenger automobile, personal liability and theft, and mechanical breakdown insurance:

- (i) Insurance score;
- (ii) Driver class;
- (iii) Multicar discount;
- (iv) Territory and/or geographic area;
- (v) Vehicle use;
- (vi) Rating factors related to driving record; and
- (vii) Surcharges or discounts based on loss history.

(2) An insurer must provide a general description of the model used to perform the multivariate analysis, including the:

- (a) Formulas the model uses;
- (b) Rating factors that are included in the modeling process; and
- (c) Output from the model, such as indicated rates or rating factors.

(3) An insurer must show how the proposed rates or rating factors are related to the multivariate analysis.

~~((4) The temporary prohibition in WAC 284-24A-090 on the use of credit history to determine personal insurance rates, premiums, or eligibility for coverage for all homeowners and private passenger automobile coverage will remain in effect for three years following the day the national emergency concerning the novel coronavirus disease (COVID-19) outbreak declared by the President on March 13, 2020, under the National Emergencies Act (50 U.S.C. 1601 et seq.) terminates, or the day the Governor's Proclamation 20-05, proclaiming a state of emergency throughout the state of Washington as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United States expires, whichever is later.~~

~~(a) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.~~

~~(i) Homeowners coverage includes dwelling property, mobile homeowners, manufactured homeowners, renters, and condominium owner's coverage.~~

~~(ii) Private passenger automobile coverage includes motorcycles and recreational vehicle coverage.~~

~~(b) The temporary prohibition on the use of credit history to determine personal insurance rates, premiums, or eligibility for homeowners and private passenger automobile coverage does not apply to commercial lines, personal liability and theft, earthquake, personal inland marine, or mechanical breakdown coverage.)~~

[Statutory Authority: RCW 48.02.060, 48.18.480, 48.19.020, 48.19.035, 48.19.080. WSR 22-04-090 (Matter R 2021-07), § 284-24A-050, filed 2/1/22, effective 3/4/22. Statutory Authority: RCW 48.02.060, 48.18.545, 48.19.035, and 48.30.010. WSR 05-02-026 (Matter No. R 2004-01), § 284-24A-050, filed 12/29/04, effective 7/1/05. Statutory Authority: RCW 48.02.060, 48.18.100, 48.18.120, 48.19.080, 48.19.370, 48.30.010, 49.60.178, 48.18.545(7), 48.19.035(5). WSR 02-19-013 (Matter No. R 2001-11), § 284-24A-050, filed 9/6/02, effective 10/7/02.]

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 284-24A-090 Temporary prohibition of use of credit history.