

**WSR 23-20-124
PREPROPOSAL STATEMENT OF INQUIRY
OFFICE OF THE
INSURANCE COMMISSIONER**

[Insurance Commissioner Matter R2023-08—Filed October 4, 2023, 8:56 a.m.]

Subject of Possible Rule Making: Life insurance disclosure requirements, WAC 284-23-650.

Statutes Authorizing the Agency to Adopt Rules on this Subject: RCW 48.02.060 and 48.83.170.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: This rule making is attempting to resolve misalignment identified between rules and laws in the insurance code. The rules in chapter 284-23 WAC do not align with the laws in chapter 48.83 RCW, as applied to life insurance with long-term care insurance (LTCi) riders and accelerated benefits. The rules currently prohibit life insurers from offering life insurance policies with riders that have accelerated benefits for LTCi and require disclosure statements communicating this prohibition. This contradicts current law that allows life insurance policies with riders to fund LTCi benefits through the acceleration of the policy's death benefits under certain conditions (see WAC 284-23-650, RCW 48.83.010(3), 48.83.020 (5)(a), and 48.83.080).

The misalignment of authorities causes complications for all affected parties including insurers, consumers, and regulators. The effective rules cause complications for insurers who submit product filings for life insurance policies with accelerated death benefits to fund LTCi. Currently, insurers are experiencing difficulty in filing and marketing the policies as such to consumers due to the misalignment in rules as identified above. This rule making will attempt to achieve alignment between the life insurance disclosure requirements in WAC and the statutory provisions provided by chapter 48.83 RCW.

Process for Developing New Rule: Submit written comments by close of business (5 p.m. PDT) on Friday, October 20, 2023.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Michael Walker, 302 Sid Snyder Avenue S.W., Olympia, WA 98504, phone 360-725-7036, fax 360-586-3109, TTY 360-586-0241, email rulescoordinator@oic.wa.gov, website www.insurance.wa.gov.

October 4, 2023
Mike Kreidler
Insurance Commissioner