



PROPOSED RULE MAKING

CR-102 (July 2022)
(Implements RCW 34.05.320)
Do NOT use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: October 04, 2023

TIME: 8:56 AM

WSR 23-20-123

Agency: Office of the Insurance Commissioner

- Original Notice**
- Supplemental Notice to WSR** _____
- Continuance of WSR** _____

- Preproposal Statement of Inquiry was filed as WSR 23-15-110 ; or**
- Expedited Rule Making--Proposed notice was filed as WSR** _____; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or**
- Proposal is exempt under RCW** _____.

Title of rule and other identifying information: (describe subject) **Implementation of SHB 1266 (Chapter 27, Laws of 2023**

Insurance Commissioner Matter R 2023-01

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
November 8, 2023	9:00am	Zoom meeting: Detailed information for attending the Zoom meeting posted on the OIC website here: https://www.insurance.wa.gov/implementation-shb-1266-r-2023-01	

Date of intended adoption: November 10, 2023 (Note: This is **NOT** the effective date)

Submit written comments to:

Name: David Forte
 Address: PO Box 40260, Olympia, WA 98504-0260
 Email: rulescoordinator@oic.wa.gov
 Fax: 360-586-3109
 Other:
 By (date) November 9, 2023

Assistance for persons with disabilities:

Contact Katie Bennett
 Phone: 360-725-7013
 Fax: 360-586-2023
 TTY: 360-586-0241
 Email: Katie.Bennett@oic.wa.gov
 Other:
 By (date) November 7, 2023

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

The Commissioner is considering rulemaking to amend current WACs to align with SHB 1266 (Chapter 27, Laws of 2023). In doing so, it should provide clarity to insurance producers on which address of record the Commissioner would utilize when communicating with them.

Reasons supporting proposal: SHB 1266 (Chapter 27, Laws of 2023) clarified how the Commissioner may communicate with licensees. The Commissioner is considering rules to update what address of record the Commissioner may use when communicating with licensees.

Statutory authority for adoption: **RCW 48.02.060 and 48.17.005**

Statute being implemented: Chapter 27, Laws of 2023

Is rule necessary because of a:

- Federal Law? Yes No
- Federal Court Decision? Yes No
- State Court Decision? Yes No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

Type of proponent: Private Public Governmental

Name of proponent: (person or organization) Mike Kreidler, Insurance Commissioner

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	David Forte	302 Sid Snyder Ave, SW suite 200 Olympia WA 98501	360-725-7268
Implementation:	Todd Dixon	5000 Capitol Blvd SE Tumwater, WA 98501	360-725-7000
Enforcement:	Charles Malone	5000 Capitol Blvd SE Tumwater, WA 98501	360-725-7000

Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?

Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

Is a cost-benefit analysis required under [RCW 34.05.328](#)?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name: Simon Casson

Address: PO Box 40260, Olympia WA 98504

Phone: 360-725-7038

Fax: 360-586-3109

TTY:

Email: Simon.Casson@OIC.wa.gov

Other:

No: Please explain: The Commissioner has determined that under RCW 34.05.328(5)(b)(iv), the content of the rule is explicitly and specifically dictated by statute. Because the content of this rule is specifically dictated by Chapter 27, Laws of 2023, a cost benefit analysis is not required.

Regulatory Fairness Act and Small Business Economic Impact Statement

Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

(1) Identification of exemptions:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:
- | | |
|---|---|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input checked="" type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
(i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |
- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).
- This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of how the above exemption(s) applies to the proposed rule: The Office of the Insurance commissioner has determined that under RCW 19.85.025(3), the content of the rule is explicitly and specifically dictated by statute (provided under RCW 34.05.210(4)(e)). Because the content of this rule is specifically dictated by SHB 1266, a small business economic impact statement is not required. SHB 1266, signed into law in 2023, clarified how the Commissioner may communicate with licensees. This rulemaking aligns which address of record the Commissioner will rely on to communicate with licensees. The proposed rule adopts language from SHB 1266 to align both WAC 284-17-005 and WAC 284-17-065 with statute. The content of the rule is specifically dictated by statute.

(2) Scope of exemptions: *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

(3) Small business economic impact statement: *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. _____
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Date: October 4, 2023	Signature: 
Name: Mike Kreidler	
Title: Insurance Commissioner	

AMENDATORY SECTION (Amending WSR 11-04-067, filed 1/28/11, effective 2/28/11)

WAC 284-17-005 Address of record. (1) The address of record used by the commissioner will be:

(a) ~~((For disciplinary orders,))~~ The last U.S. mailing address provided by the person or business entity to the commissioner((~~+~~

~~(b) For all other matters, the last email address provided by the person or business entity to the commissioner. This will be the email address listed in the mailing address section of the commissioner's licensing data base [database].))~~ for all notices, orders, or written communication, including any notification of investigation, notification of audit and findings resulting from such audit, or written communication pursuant to RCW 48.17.475 (2) (c) (ii).

(b) The last email address of record, listed in the mailing address section of the commissioner's licensing database, may only be used, if:

(i) The communication is not required to be sent to the person's mailing address pursuant to RCW 48.17.450(2) or 48.15.103(4);

(ii) The person has affirmatively consented to receive communications from the commissioner by email; and

(iii) The email from the commissioner does not require a response.

NOTE: However, if a response is required by the commissioner, then the email must comply with the requirements of RCW 48.17.475 (2)(b) or 48.15.103 (8)(b), whichever is applicable, before it is sent.

(2) Licensees must advise the commissioner of any change of address within ~~((thirty))~~ 30 days after a change of address. This includes any change in the person's residence, mailing, business or email address. Failure to advise the commissioner of a change of address may subject a licensee to disciplinary action under RCW 48.17.530 and 48.17.560.

AMENDATORY SECTION (Amending WSR 11-04-067, filed 1/28/11, effective 2/28/11)

WAC 284-17-065 Required email address for licensing transactions. (1) Each applicant, individual or business entity licensee, insurance education provider, and insurer must provide the commissioner with a valid email address. ~~((As provided in WAC 284-17-005 (1)(b), the email address will be the official contact address for all communication regarding licensing processes.))~~ The following do not need to comply with the provisions of RCW 48.17.450(3) and 48.15.103(3) (affirmative consent and require a response):

(a) Email communication sent to an applicant before the issuance of license; or

(b) Auto-generated email communication regarding license applications or license renewal processes.

(2) Each applicant, individual or business entity licensee, insurance education provider, and insurer must notify the commissioner of any change to their email address within ~~((thirty))~~ 30 days after the change.

(3) This section applies to an insurer when appointing, terminating, or renewing the appointment of a licensee.