

OIC 2020 Overview

Presentation to Senate Business, Financial Services & Trade Committee

January 12, 2021

OFFICE of the
INSURANCE
COMMISSIONER
WASHINGTON STATE

Mission statement

"We protect consumers, the public interest and our state's economy through fair and efficient regulation of the insurance industry."

OIC Primary Activities

- Monitor insurer solvency
- Protect and educate insurance consumers
- Review and approve insurers' rates and forms
- License and oversee insurance producers
- Reduce insurance fraud and unlawful activities
- Rulemaking

COVID-19 Response

Emergency Orders and other Pandemic Response

Emergency Authority

- In 2009, the Legislature granted Insurance the Commissioner authority to take certain actions once the Governor declares an emergency (RCW 48.02.060)

- Scope of authority:
  - Reporting requirements for claims
  - Grace periods and other duties of insureds
  - Temporarily postpone cancellations/non-renewals
  - Medical coverage to ensure access to care

- Initial duration: 60 days, with 30-day extensions

Health Insurance Emergency Orders

1. Waives copays/deductibles for COVID-19 testing
2. Prohibits prior authorization for COVID-19 treatment
3. Expands coverage of additional methods for providing telehealth services, including telephone
4. Protects consumers from surprise bills from labs

https://www.insurance.wa.gov/coronavirus-and-health-insurance

Property & Casualty Emergency Orders

Issued two emergency orders related to property & casualty insurance

- In effect from March 25 – May 9

Emergency Order 20-03

Provided grace periods for nonpayment of premiums and temporarily prohibited cancellation for nonpayment of premiums

Property & Casualty Emergency Orders

Emergency Order 20-05

Addressed the issue of replacement cost coverage during the repair process.

And allowed insureds to fully recover the benefits of their coverage if there was a deadline affected by the construction industry's shut down.

Implementation of new laws

Balance Billing Protection Act

- Prohibits balance (surprise) billing for emergency services, and surgical/ancillary services at in-network facilities
- Protections considered among the nation's strongest
- Approved unanimously by 2019 Legislature
- Currently reviewing federal "No Suprises Act"

(Chap. 427, Laws of 2019/Chap. 48.49 RCW)

Implementation of new laws – required rulemaking

Health Insurance

SHB 2338: Protecting consumers from discrimination in health care
ESHB 2642: Access to substance use disorder treatment
HB 1879: Prescription drug utilization management
HB 1099: Network access and notice requirements
SB 5899: Confidential communications
SB 5601: Health care benefit managers
2SHB 1065: Implementation of the Balance Billing Protection Act

Property and Casualty Insurance

HB 2322 (2018): Risk mitigation

Disaster Resiliency Work Group

- Created through SSB 5106 (2019), to make recommendations on disaster resiliency.

- Over 30 public and private members.

Key recommendations:

- Create resiliency program in Governor's Office.
- Include volunteer advisory board.
- Initial funding of $650,000.
- Coordinate statewide efforts.

Legislative Priorities for 2021

- Prohibiting the use of credit scores to determine rates for personal lines of insurance.
- Concerning reinsurance agreements.
- Concerning insurance adjusters.
- Captive Insurance study.

Questions?

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