

2024 WA Legislative Assembly Day

December 11, 2024

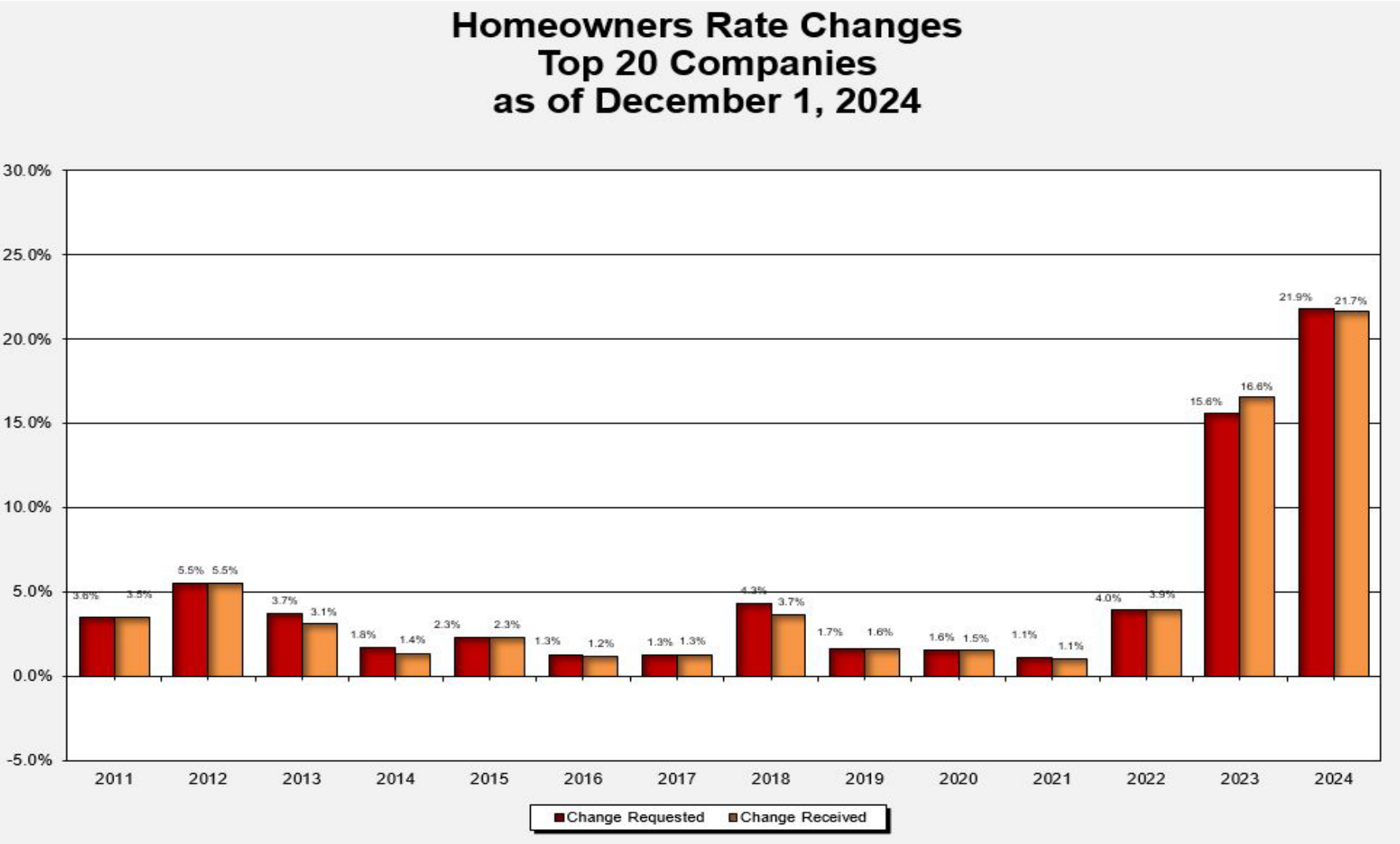
OFFICE of the
INSURANCE
COMMISSIONER
WASHINGTON STATE

Claim costs directly impact insurance pricing

WA Homeowner's claim costs:

- 2018: $941,806,000
- 2019: $1,075,153,000
- 2020: $1,114,056,000
- 2021: $1,364,292,000
- 2022: $1,842,832,000
- 2023: $1,988,128,000

WA Homeowner rate filings

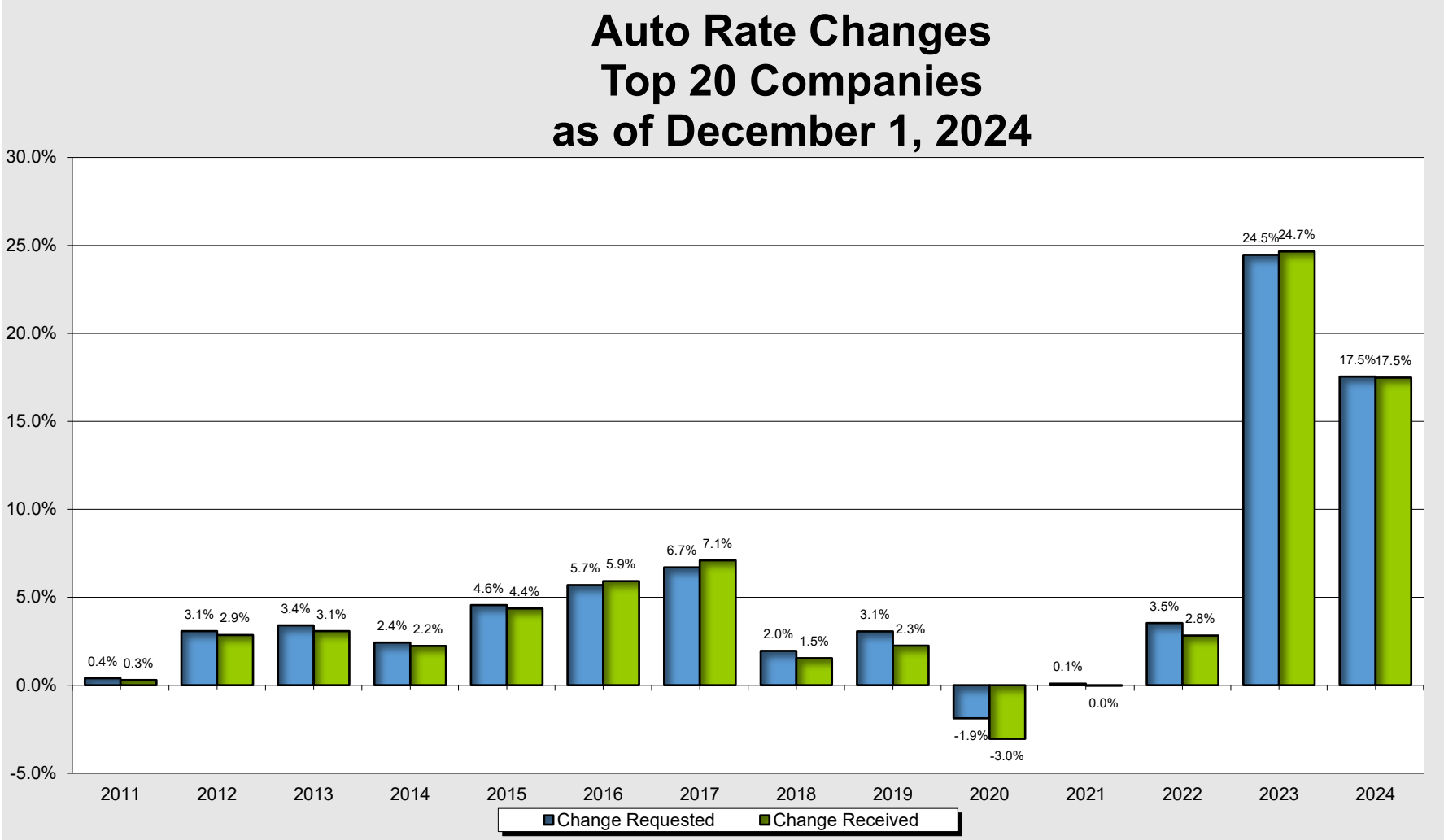


Claim costs directly impact insurance pricing

WA Private Passenger Auto claim costs:

- 2018: $3,441,366,000
- 2019: $3,587,152,000
- 2020: $2,934,897,000
- 2021: $3,729,864,000
- 2022: $4,924,891,000
- 2023: $5,404,919,000

WA PPA rate filings



Form and Rate filings

The OIC reviews an average of 3200 policy forms and 1600 rate filings a year and approve about 3000 forms and 1500 rate filings a year

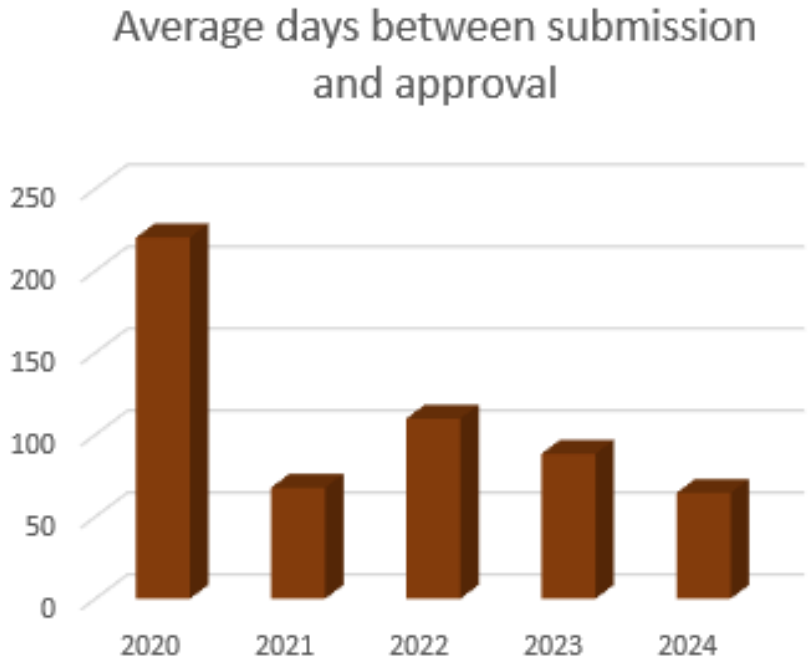
From	To	Action	# of Filings
1/1/2021	12/31/2021	Approved	1646
		Disapproved	1
		Withdraw	142
		Closed	43
1/1/2022	12/31/2022	Approved	1468
		Disapproved	1
		Withdraw	180
		Closed	22
1/1/2023	12/31/2023	Approved	1591
		Disapproved	0
		Withdraw	115
		Closed	20

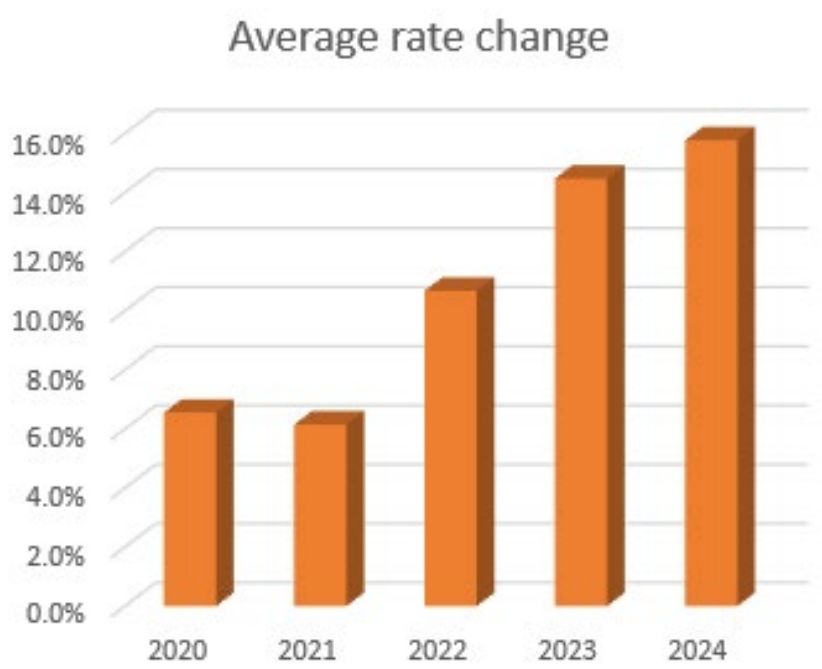
Rate review standard

RCW 48.19.020 Rate standard.

Premium rates for insurance shall not be excessive, inadequate, or unfairly discriminatory.

Rate review time- Homeowners





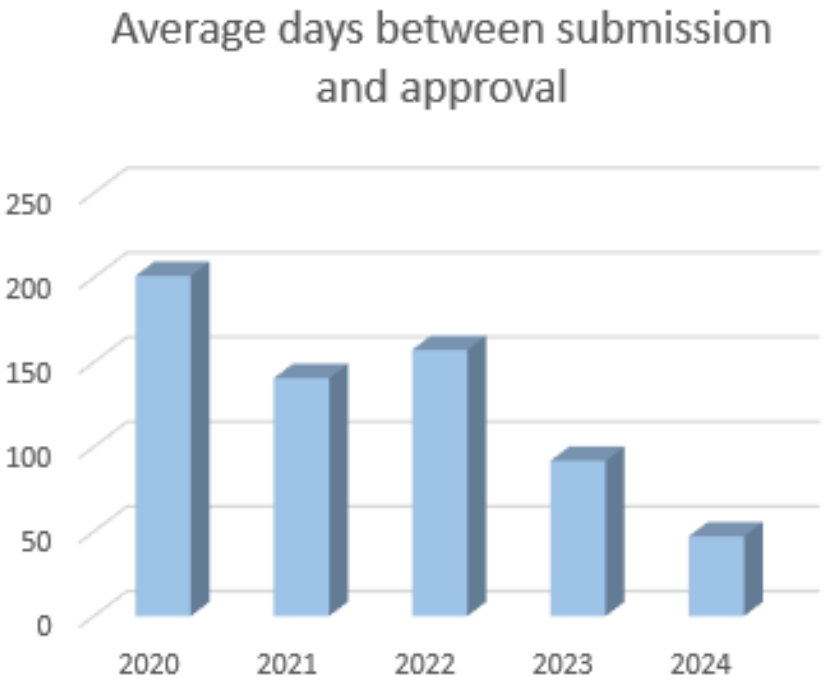
Number of times OIC sent objections

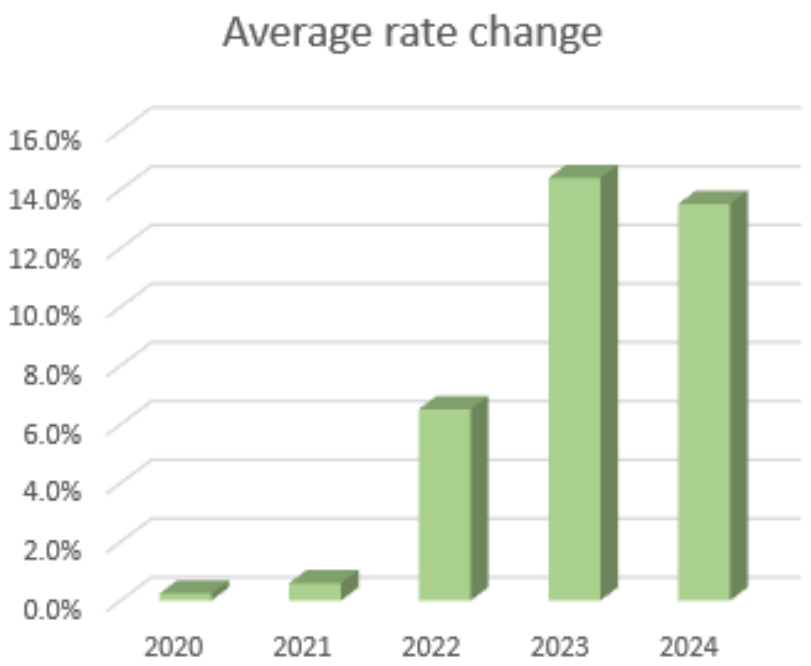
0
1
2
3
4+

Average Days between request and approval by # of objection letters 2023-24

28
74
112
252
257

Rate review time- Auto





Number of times OIC sent objections	Average Days between request and approval by # of objection letters 2023-24
0	39
1	72
2	117
3	114
4+	99

Transparency in insurance costs

A new rule requires all insurance companies to tell their policyholders the reasons behind a premium increase.

The new regulation applies to auto and homeowners insurance, including manufactured homes, condominiums and renters insurance.

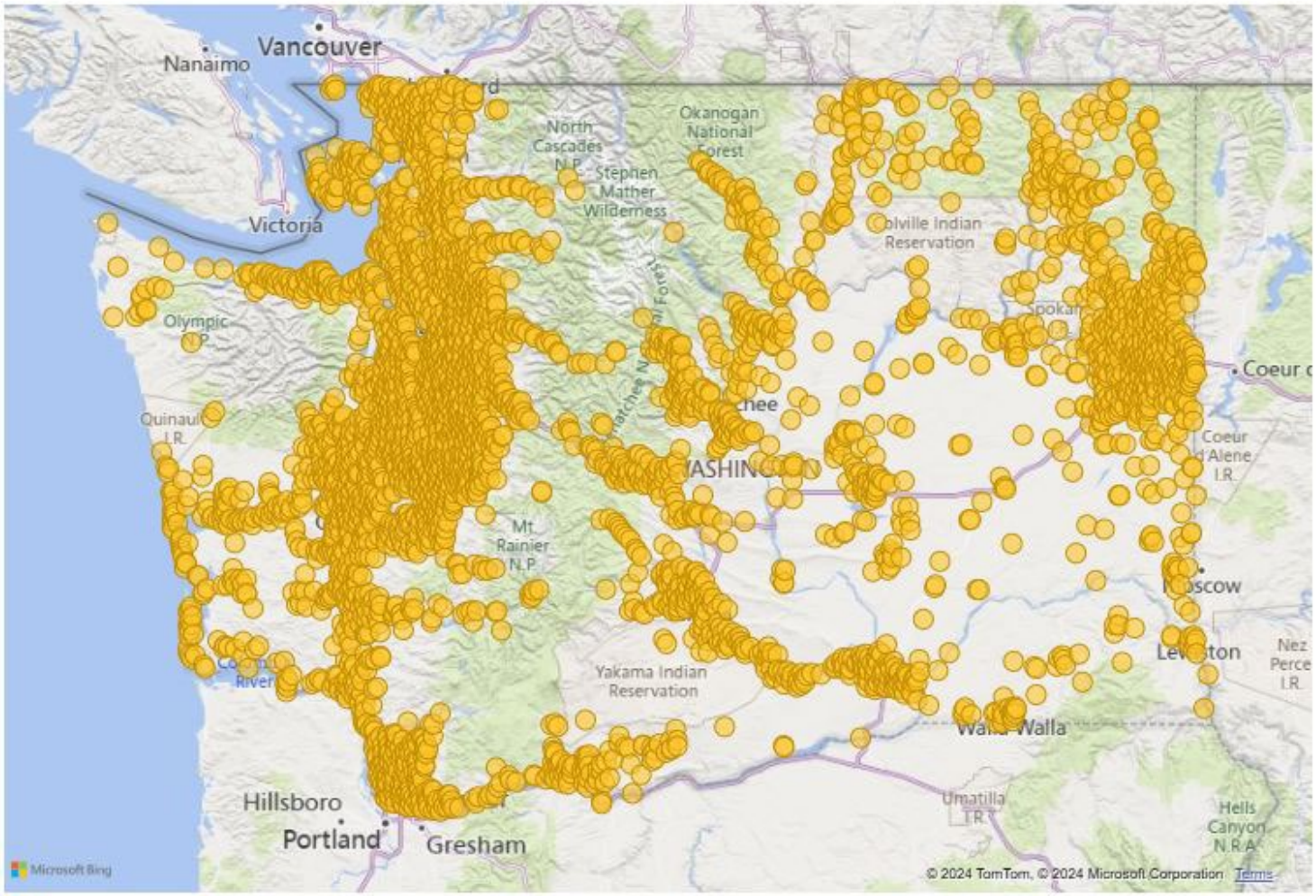
Phase 1 effective June 1, 2024.

Phase 2 effective June1, 2027. However, the Insurance Commissioner is considering rulemaking to extend phase 2 to 2029.

Nonrenewals and Cancellations

Experience Year	Insurer Initiated Nonrenewals	Total Other Reasons Cancellations
2021	11,718	13,994
2022	14,189	13,008
2023	18,428	14,809
Percent of 2.5 million policies	.73%	.6% (combined 1.33%)

Nonrenewals and Cancellations



Nonrenewals by Year

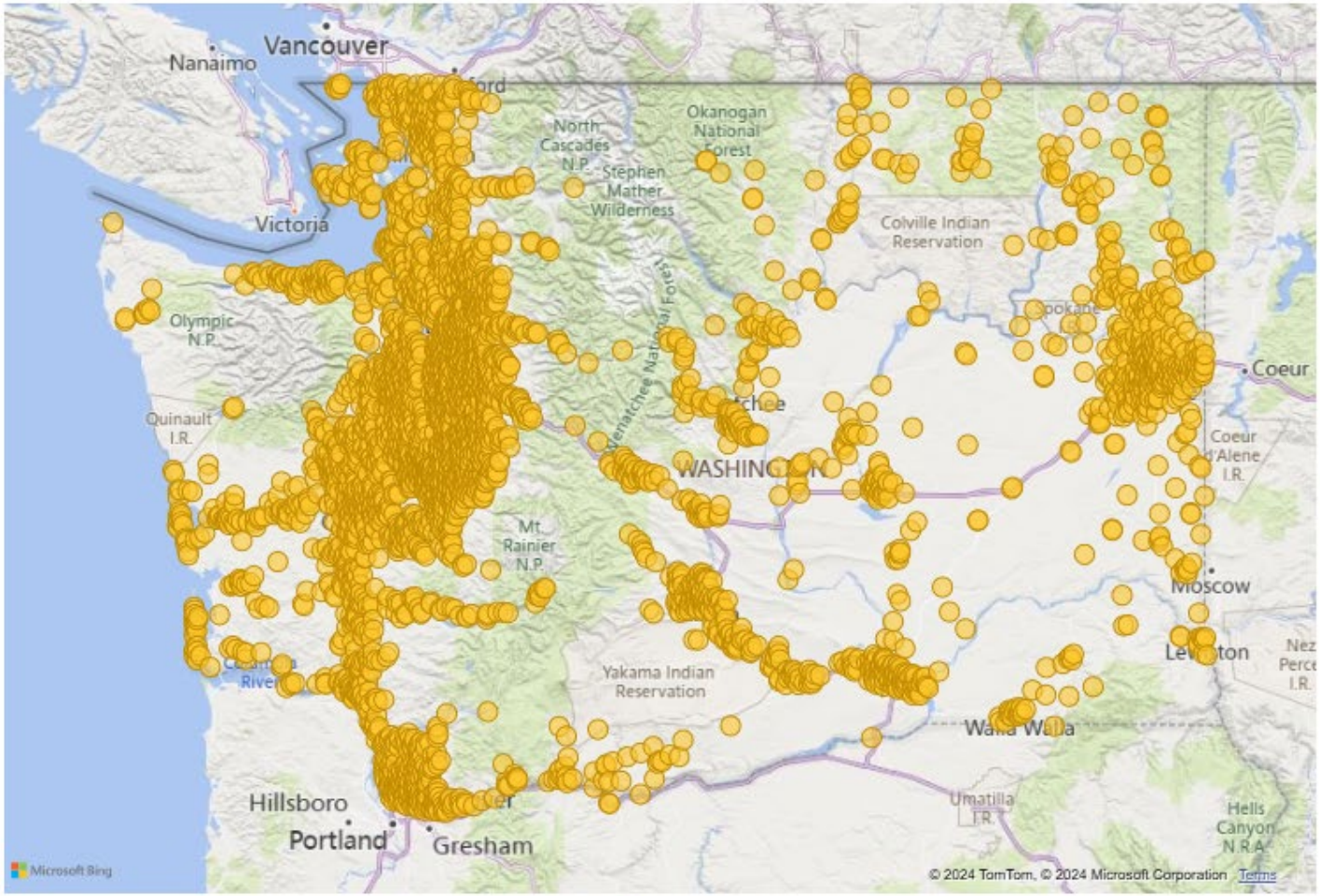
2021	11,718
2022	14,189
2023	18,428

Total Nonrenewals by Zip

98922	311
98826	276
99301	193
98391	177
99205	172
98682	153
99208	149
98837	139

OtherReasons
18,428

Nonrenewals and Cancellations



Reason ● OtherReasons

Cancellations by Year

2021	13,994
2022	13,008
2023	14,809

Total Cancellations by Zip

98682	164
98012	138
98584	135
99301	133
98258	130
99205	130
98391	127
99208	125
98632	124
98042	123

OtherReasons
14,809

WA FAIR Plan- Insurer of last resort

Provides basic property insurance on dwellings and commercial buildings when owner unable to find coverage in normal market.

Insurance companies are required to include the name and telephone number of the FAIR Plan in all property cancellation and non-renewal notices.

WA FAIR Plan- Insurer of last resort

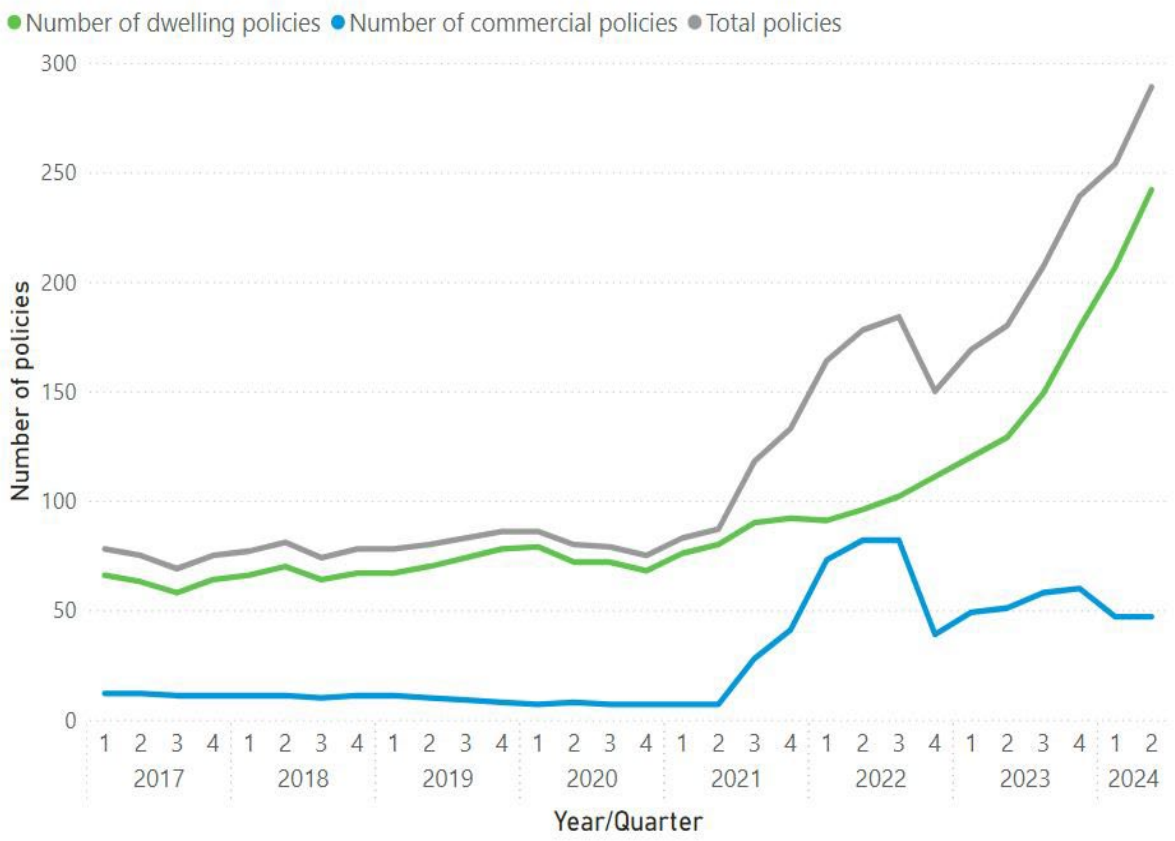
State	Florida	California	Louisiana	Oregon	Washington
Number of policies in effect	1,330,000+	410,000+	120,000+	1500+	289

WA FAIR Plan- Insurer of last resort

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WASHINGTON STATE

Total Dwelling and Commercial Policies in Force by Quarter, 2017-2024Q1

Year/Quarter	Dwelling policies	Commercial policies	Total policies
2017Q3	58	11	69
2017Q4	64	11	75
2018Q1	66	11	77
2018Q2	70	11	81
2018Q3	64	10	74
2018Q4	67	11	78
2019Q1	67	11	78
2019Q2	70	10	80
2019Q3	74	9	83
2019Q4	78	8	86
2020Q1	79	7	86
2020Q2	72	8	80
2020Q3	72	7	79
2020Q4	68	7	75
2021Q1	76	7	83
2021Q2	80	7	87
2021Q3	90	28	118
2021Q4	92	41	133
2022Q1	91	73	164
2022Q2	96	82	178
2022Q3	102	82	184
2022Q4	111	39	150
2023Q1	120	49	169
2023Q2	129	51	180
2023Q3	149	58	207
2023Q4	179	60	239
2024Q1	207	47	254
2024Q2	242	47	289



Mitigation is the key for insurability

Perception of risk or actual risk = insurability.

Cost of claims = price of insurance.

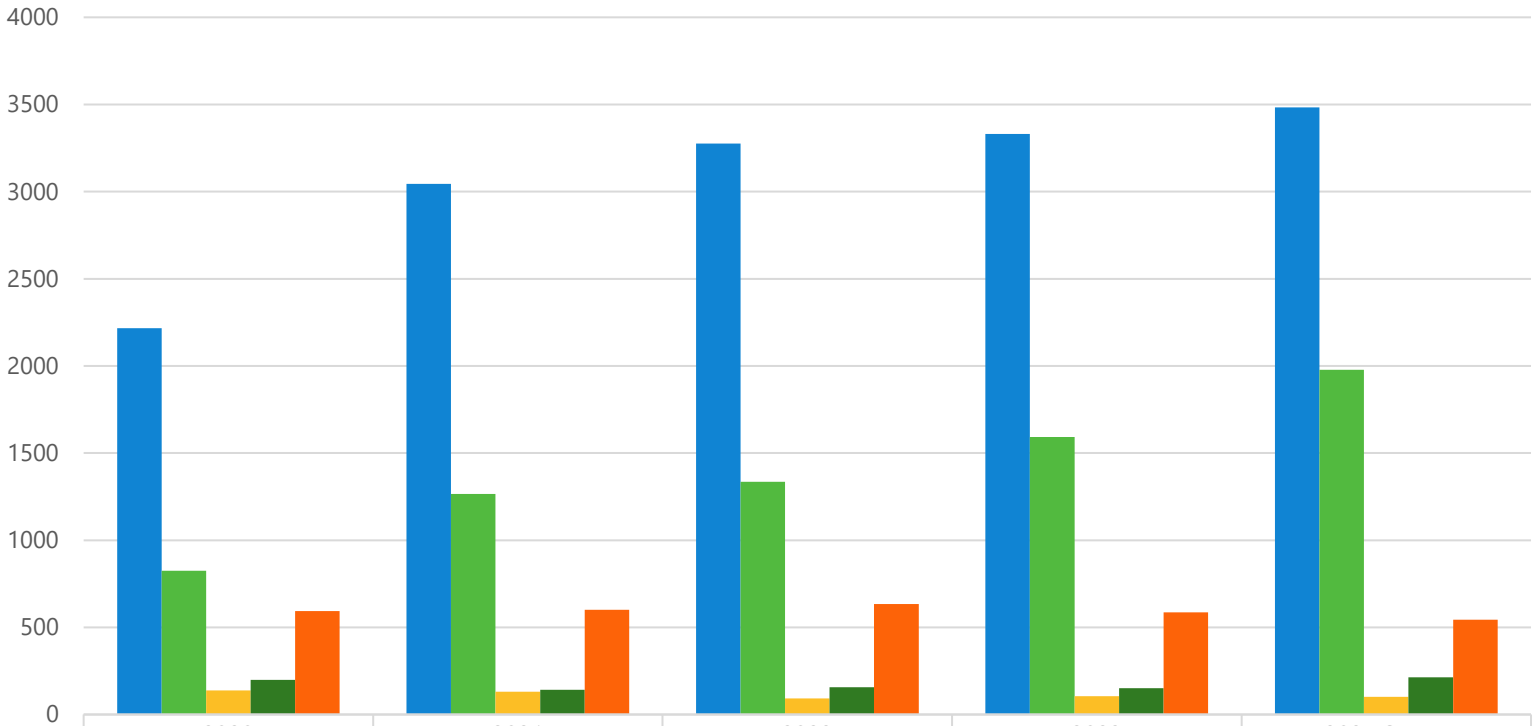
Wildfire:
Community mitigation- Firewise and NFPA standards

Home mitigation- Insurance Institute for Business & Home Safety *Wildfire Prepared Homes* is the insurance industry's upcoming standard.

Mitigation is the key for insurability

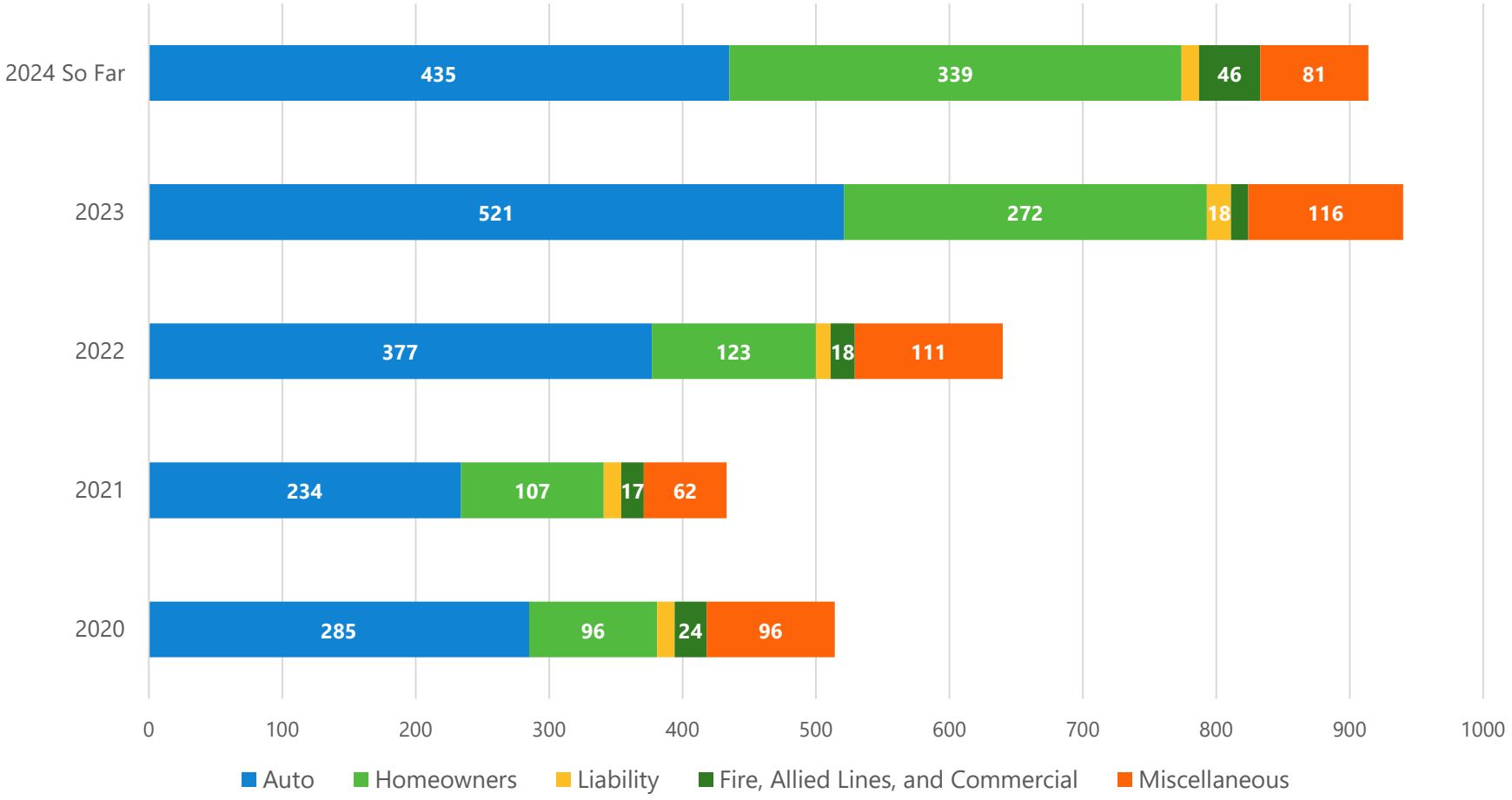


P&C complaints since 2021

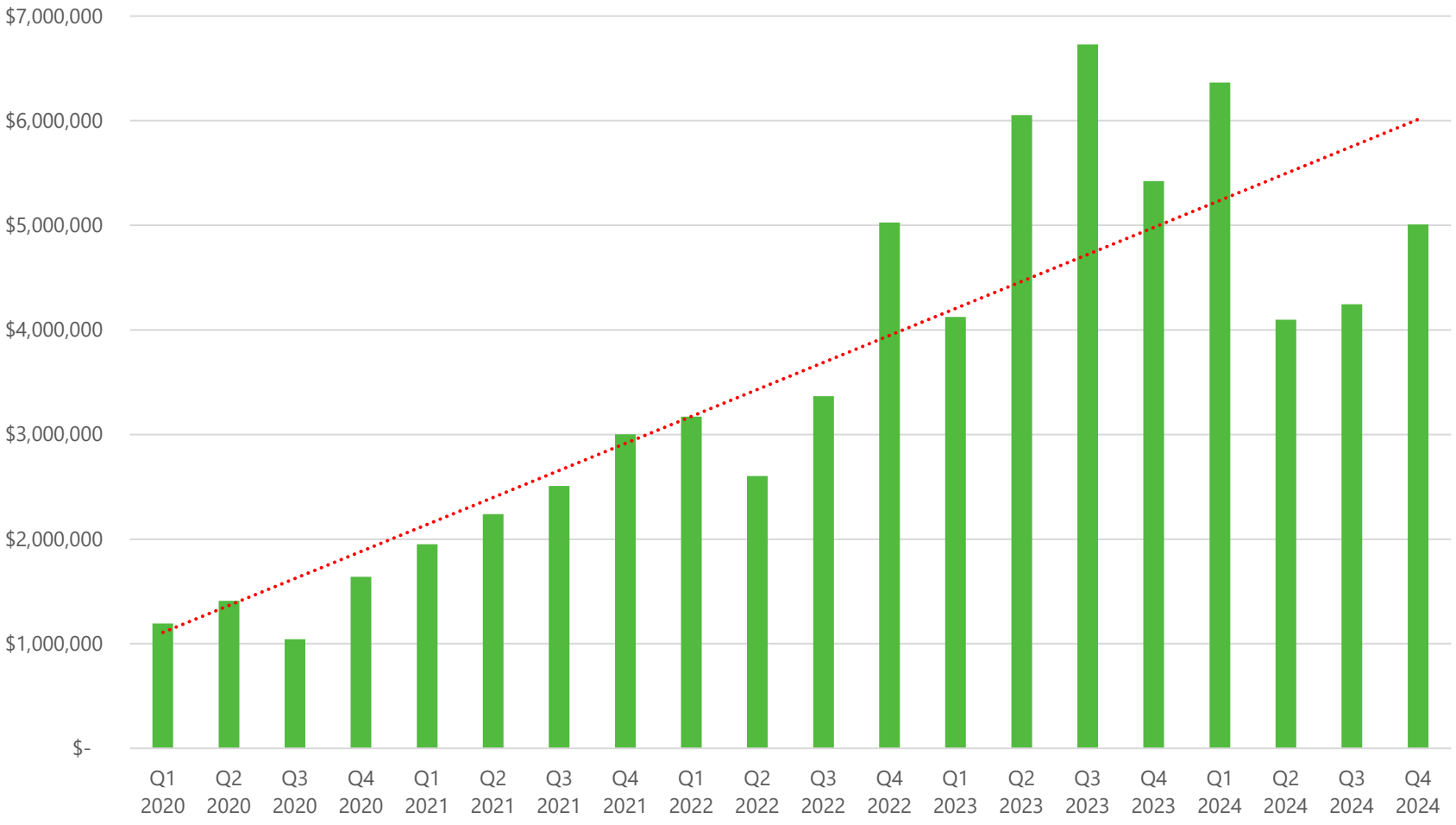


	2020	2021	2022	2023	2024 So Far
Auto	2216	3045	3276	3331	3483
Homeowners	825	1265	1335	1593	1978
Liability	139	130	92	106	102
Fire, Allied Lines, and CMP	199	142	156	151	213
Miscellaneous	593	601	633	587	544

Suspected violations since 2020



P&C consumer policy benefits recovered since 2020



Questions?

Bryon Welch
Deputy Insurance Commissioner
bryon.welch@oic.wa.gov | 360-725-7037

David Forte
Senior Policy Advisor, Property & Casualty
david.forte@oic.wa.gov | 360-725-7268

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