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New Washington Regulation Impacting an Insurer's "Adverse Notification"

By Ronald J. Clark, Owen R. Mooney

Washington will soon require insurers to notify insureds that they may contact the Washington State Office of the Insurance Commissioner for guidance should an insurer provide an "adverse notification." This requirement appears in a newly promulgated regulation, WAC 284-30-770, effective August 1, 2020. And the new rule can be found [here](#).

This new rule applies to "all insurers" and to "all insurance policies," as well as to others listed in the regulation. Under the rule, for each "adverse notification provided," the following content must be in the notice:

"If you have questions or concerns about the actions of your insurance company or agent, or would like information on your rights to file an appeal, contact the Washington state Office of the Insurance Commissioner's consumer protection hotline at 1-800-562-6900 or visit www.insurance.wa.gov. The insurance commissioner protects and educates insurance consumers, advances the public interest, and provides fair and efficient regulation of the insurance industry."

The rule defines "adverse notification" to extend to various communications, including: a "claim denial"; a "final claim payment for less than the amount of the claim submitted"; and a "[r]escission, cancellation, termination or nonrenewal of a policy unless initiated by an insured," though "[t]his does not apply to the end of a scheduled policy term or cancellation due to nonpayment of premium."

Insurers should review this new rule, including its requirements on the font and location of the above notice, to consider and implement revisions to any procedures that they have for such notices—such as revising any "templates" that they request their claims personnel to use for these types of notifications.