November 14, 2025

Delivered via email

RE: Draft V6 proposed rules implementing HB 2563

T.K. Keen, Acting Insurance Commissioner
John Haworth, Policy Analyst
Karen Winkel, Rules Coordinator

Dear Commissioner Keen and DFR Team,

Thank you for hosting the third Rulemaking Advisory Committee (RAC) on rules implementing HB 2563 (premium notices to policyholders). On behalf of members of the P&C trade associations – the **American Property Casualty Insurance Association (APCIA), the National Association of Mutual Insurance Companies (NAMIC)** and **the Northwest Insurance Council (NWIC) –** we offer the following observations, questions and/or suggestions for the draft we reviewed with you at the RAC meeting held on November 6.

Overview

The trades and our members are grateful to DFR for the effort you have made to respond thoughtfully to the concerns and recommendations made by insurers as well as consumer advocacy organizations participating in the RAC process. We believe most of the adjustments made to the proposed rule so far have aligned with our shared goal of improving transparency by providing useful and actionable information to consumers regarding premium increases at their request. This aligns not only with our shared goals, but also with the letter and spirit of HB 2563, which itself was the product of mutual understanding and collaboration among stakeholders and with DFR during the 2025 Legislative Assembly.

There are, however, some areas that continue to be of concern, and the purpose of this correspondence is to share those with you in hopes they can be addressed prior to formal adoption of the rule.

Definition Section

The trades and our members acknowledge with appreciation the changes made by DFR in what are now labeled **subsections 1 through 4 of Section 1** in V6 of the draft rules, as well as the changes made to the proposed Premium Change Explanation. We believe these changes add important clarity for consumers and insurers alike.

Remaining concerns:

- We and our members continue to believe, in spite of the other positive changes acknowledged above, that the proposed 2% threshold definition of "significant factor" is lower than what truly should be considered "significant," and, per comments offered by

APCIA and others during the RAC meeting on November 6, we repeat our previous request that DFR consider a threshold of 10%, or at lowest, 5%.

- The trades did not comment previously regarding striking the word "rating" from "A rating factor" in what is currently labeled subsection 2. However, we note that "rating" still appears in subsection 3, and DFR may wish to align the two subsections in a future draft. (This also raised a question about why "rating" was deleted from what is currently subsection 2. Can DFR share any information about that deletion?)

Periodic data reporting section

The trades acknowledge with appreciation the changes made by DFR to subsection (3) of this section. However, we are aware that considerable confusion was present during the discussion of this section during the RAC meeting, and we respectfully request consideration of new language to improve clarity for insurers who will be required to comply.

As currently stated in the rule:

836-XXX-XXX4 Periodic data reporting

(1) HB 2563 (2025) SECTION 2. (8) states, in part, "the department shall adopt rules to implement the requirements of this section, including but not limited to rules requiring periodic data reporting from insurers that issue qualified policies to evaluate the impact of the required notices..."

If DFR is to require insurers to report data that will "evaluate the impact of the required notices," the trades suggest two elements are necessary (and a third is optional and in excess of the statutory mandate).

Necessary data points to comply with HB 2563:

1. The total number of policies **actually renewed** by the reporting insurer that included an increase in premium from the previous policy term to the new policy term in the reporting year.

   *(**Note**: With respect to currently proposed subsection (3)a, the trades and our members repeat our concern that reference to including instances where a "renewal offer was made" during the reporting year is not an accurate basis for measuring the impact of HB 2563.*

   There are many reasons why a policy might not be renewed after an offer of renewal has been made by the insurer, unrelated to the cost of the policy, such as when a policyholder moves out of state or moves their business to another insurer.

   An "offer of renewal" is not a renewal, and thus not an accurate way to compare policies in force with the subset of policies affected by increases and the further subset of policies for which policyholders have made a request for additional information about a premium increase.)

2. The total number of policies that were renewed, with a premium increase, *and* the policyholder requested additional information about the premium increase from the insurer.

Unnecessary data point not mandated by HB 2563:

3. The percentage of increase experienced by each policyholder that submitted a written request for additional information about their premium increase.

The trades respectfully suggest this or similar language for subsection (3):

(DFR proposed language from V6 that we suggest be stricken is shown with ~~strikethrough~~; new language proposed by the trades is shown with underline.)

(3) Each insurer meeting the premium threshold indicated in section (2) must report to the Department of Financial Regulation (DFR) no later than April 30th, 2028, and every other year thereafter, the following information grouped by zip code:

a. The total number of qualified policies as defined in SECTION 2. (1) of House Bill 2563 E (2025), where a policy that included an increase in the premium from the previous policy term to the renewed policy term ~~renewal offer~~ was renewed by the insurer ~~made~~ during the reporting calendar year. ~~where the renewal term premium was greater than the current prior term premium.~~

b. The total number of qualified policies (as defined in Section 2 (2) of HB 2563 E (2025) that were renewed with a premium increase (as defined in this section) and the policyholder ~~where the premium increased. from the group a. above that~~ submitted a written request to the insurer seeking ~~an explanation~~ additional information about the reason(s) for the premium increase.

~~c. The percentage the premium increased for each policyholder from group b. above that submitted a written request for an explanation for the premium increase.~~

c.~~d.~~ Any other data DCBS determines necessary.

Thank you again for continuing to engage in this deliberative process. We welcome any additional opportunity to review and discuss our concerns and recommendations at your convenience.

Sincerely,

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