

December 19, 2025

Delivered via email

RE: Draft V7 proposed rules implementing HB 2563

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

Dear Commissioner Keen and DFR Team,

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 December 4.

Definition Section

We and our members continue to believe that the proposed 2% threshold definition of “significant factor” is lower than what truly should be considered “significant,” and, per comments offered by the trades during the RAC meeting on December 4, we repeat our previous request that DFR consider a threshold of 10%, or at lowest, 5%.

Periodic data reporting section

The trades acknowledge with appreciation the changes previously made by DFR to subsection (3) of this section. However, we continue to hear concerns from our members that requiring insurers to report data based on the *offer of renewal* (instead of actual renewed policies) creates a challenging and potentially costly reporting burden that (1) is in excess of the statutory mandate enacted by the Legislature, and (2) provides little meaningful informative value for determining whether the statute and rule are providing sufficient actionable information for insurance consumers.

As currently stated in the rule:

836-054-0125 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).

Data points necessary 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.

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 V7 that we suggest be stricken is shown with ~~strike through~~; 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. 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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