

Rate Change Approval Times Down in Washington

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Nobody enjoys a long wait.

Luckily for insurance companies conducting business in Washington State, the Office of the Insurance Commissioner has been able to turn long waits into something a little more manageable.

Our Rates, Forms and Provider Networks (RFPN) team has been hard at work this year to reduce the backlog in property and casualty rate filings — and the results are promising.

The average amount of time between rate submissions and approvals for homeowner insurance in 2023 is 38 days. That's down from 120 days last year, 68 days in 2021 and 220 days in 2020.

Auto rate submissions have been trimmed, too; the average review time in 2023 has been 79 days, down from 152 last year (and, coincidentally, 2022) and 201 in 2020.

These rate changes have been more intense, too. This is the first time in 20 years we've seen single-year average increases of more than 7% from the larger auto insurance companies; we're looking at an average of 13.9% this year. Those changes, though, are base-rate only, so the review process tends to go faster.

These figures aren't final; that average review time will probably increase a little by the end of the year. Still, we're proud of the work we've done to cut this time down.

Why was there a backlog in the first place? Staffing issues, first of all, that pre-date the pandemic. The process was also impacted by a large number of filings following the credit scoring ban, and additional filings after its reversal.

Still, our RFPN staff has worked hard to address the backlog. In July, we hit a benchmark by having zero responses more than 45 days old — for the first time since December of 2016. Our new goal is to get that figure down to 35 days by the same time next year.

To help meet that goal, we're currently hiring additional P&C actuarial analysts. We asked the legislature for additional funding for two additional positions and we've reallocated agency funding for one additional position, which means we'll increase our P&C rate filing staff members from five to eight. We hope to have our new staff on the job this fall.

We'll also hold a P&C rate filing forum on Oct. 3 to give insurers the opportunity to ask questions — through their trade associations — about how our filing and review processes work, and what insurers can do to move their filings through the process more quickly.

We certainly appreciate your patience over the last few years and look forward to continuing to build on our speed-to-market progress.

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