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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: S-4054.1/12

ATTY/TYPIST: LL:mos

BRIEF DESCRIPTION: Addressing the notice given to owners of life insurance policies about alternative transactions.

1 AN ACT Relating to notice given to owners of life insurance  
2 policies about alternative transactions; and amending RCW 48.102.100.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.102.100 and 2009 c 104 s 13 are each amended to  
5 read as follows:

6 (1) With respect to each policy issued by an insurance company, the  
7 insurance company shall notify the owner of an individual life  
8 insurance policy when the insured person under such a policy is age  
9 sixty or older, or is known to be terminally ill or chronically ill,  
10 that there may be alternative transactions available to that owner at  
11 the time of each of the following:

12 (a) When a life insurance company receives from such an owner a  
13 request to surrender, in whole or in part, an individual policy;

14 (b) When a life insurance company receives from such an owner a  
15 request to receive an accelerated death benefit under an individual  
16 policy;

17 (c) When a life insurance company sends to such an owner all  
18 notices of lapse of an individual policy; or

19 (d) At any other time that the commissioner may require by rule.

1 (2)(a) The commissioner shall approve a document calculated to  
2 appraise the consumer of his or her rights as an owner of a life  
3 insurance policy. The document shall be made available at no cost to  
4 all insurance companies and life insurance producers and written in lay  
5 terms.

6 (b) The document shall advise the consumer:

7 (i) That life insurance is a critical part of a broader financial  
8 plan, and that the consumer is encouraged, and has a right, to seek  
9 additional financial advice and opinions;

10 (ii) That possible alternatives to lapse exist; and

11 (iii) Of the definitions of common industry terms.

12 (c) In addition to the information described in (a) and (b) of this  
13 subsection, the document must contain the following statement in large,  
14 bold, or otherwise conspicuous typeface calculated to draw the eye:  
15 "Life insurance is a critical part of a broader financial plan. There  
16 are many options available, and you have the right to shop around and  
17 seek advice from different financial advisers in order to find the  
18 option best suited to your needs."

19 (d) The document may include brief descriptions of common products  
20 available from providers. These products must be discussed in general  
21 terms for informative purposes only, and not identifiable to any  
22 specific provider.

23 (e) The document will be considered part of the notice required in  
24 subsection (1) of this section.

25 (3) The requirements of this section do not apply to term life  
26 insurance policies.

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