



Residents News-Mail

Budget Signed by Governor Includes Study of Insurance Oversight of CCRCs

April 15, 2022

Hello WACCRA Members,

A few months ago, we sent out a News-Mail that listed and described Bills before the Washington State Legislature that we, your WACCRA Board, supported. We encouraged you to reach out to your Legislators with comments. To provide closure, we will have an update for you on the fate of those Bills in our next News-Mail.

With this News-Mail, we want to inform you of a budgetary appropriation, signed by Gov. Inslee, that affects our homes: registered CCRCs in our state. This Office of Insurance Commissioner (OIC) Budget Appropriation allows the commissioner to begin gathering information to inform recommendations that would lead to heightened consumer protections for CCRC residents. Here is the exact wording:

"\$250,000 of the insurance commissioner's regulatory account - state appropriation is provided solely for the commissioner to contract for an assessment of federal and state laws and regulations to provide recommendations on creating a legal framework with which continuing care retirement community products under chapter 18.390 RCW may achieve heightened consumer protections through shared regulatory oversight by the office of the insurance commissioner. The commissioner must submit a report on the assessment and recommendations to the health care committees of the legislature by December 1, 2022."

[See Text](#) on page 182, line 16 of the CERTIFICATION OF ENROLLMENT, ENGROSSED SUBSTITUTE SENATE BILL 5693. Passed by the Senate March 10, 2022.

This initiative by the OIC will allow residents, management and the OIC to focus together on long-term finances and insure each CCRC remains viable. With their expertise, the OIC will provide management a means of fostering greater excellence in financial planning for CCRCs.

Your WACCRA Board members support the OIC in their decision to carry out this work, and we look forward to seeing the assessment and recommendations that come from it later this year.

WACCRA is deeply committed to working toward making sure that residents' financial and health care security are sound. Currently, we face a lack of guarantees on the long-term financial sustainability of our CCRCs. We see this work by the OIC as a step toward gaining some sort of guarantee.

Why the Office of Insurance Commissioner?

CCRC contracts are analogous to unfunded and unregulated insurance policies. Heightened consumer protections for Independent-Living residents in CCRCs, through the Office of Insurance Commissioner (or equivalent), is not a unique idea. Bankruptcies and financial failures of CCRCs have motivated other states to regulate CCRCs significantly beyond Washington's current regulatory requirement. In fact, 19 states currently have Insurance oversight for CCRC residents. CCRCs in WA currently have no such protective oversight.

We want our CCRCs and the lifestyle they provide to be a successful model: financially stable. Not just for us - current residents - but for future residents and the industry as a whole going forward. We want to assure our friends who are thinking of making this important investment that it is, indeed, a sound long-term investment. And, we want to be able to point to the data to back up our statement.

We will monitor progress on this work as the year progresses, and will keep you informed along the way.

As always - Thank you for your continued support of WACCRA!

Monica Clement
WACCRA Communications Chair

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info@waccra.org

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