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HOUSE BILL 2776

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State of Washington                      52nd Legislature                      1992 Regular Session

By Representatives Dellwo, Paris, Inslee and R. Meyers

Read first time 01/27/92.                      Referred to Committee on Financial  
Institutions & Insurance.

1            AN ACT Relating to the payment and financial responsibility for  
2 structured settlements; and adding new sections to chapter 4.24 RCW.

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

4            NEW SECTION.    **Sec. 1.**            Unless the context clearly requires  
5 otherwise, for the purposes of sections 2 and 3 of this act, "annuity  
6 structured settlement" means a settlement for a personal injury or  
7 wrongful death claim providing for periodic payments to the claimant  
8 and funded by the purchase of an annuity by one or more defendants or  
9 one or more insurance carriers of the defendants. Annuity structured  
10 settlements include all settlements for personal injury or death claims  
11 that involve claimants who at the time of settlement are residents of  
12 this state, even though the underlying cause of action may derive from  
13 another jurisdiction or be based on federal law.

1        NEW SECTION.    **Sec. 2.**        Each insurance carrier, or each  
2 defendant if uninsured, remains obligated to the claimant for an  
3 annuity structured settlement in the event the annuity company fails to  
4 make payments in accordance with the terms of the annuity and  
5 settlement agreements. The obligation extends only to insurers or  
6 uninsured defendants who participate in the funding of the annuity. If  
7 more than one insurer or defendant participates in the same annuity,  
8 the respective obligations are in proportion to the relative amount  
9 contributed. The obligation does not extend to payments that are not  
10 received because of the fault of the claimant, or because of unresolved  
11 disputes over the right to receive benefits.

12        NEW SECTION.    **Sec. 3.**        (1) If a claimant fails to receive a  
13 periodic payment from an annuity structured settlement in a timely  
14 fashion according to the terms of the agreement, or receives only a  
15 portion of the proper payment, the responsible insurance carrier or  
16 defendant shall, upon demand, promptly pay to the claimant any due and  
17 unpaid sums according to the terms of the settlement, together with  
18 interest on late payments at the rate permitted under RCW 19.52.020.

19        (2) In the event an obligated insurance carrier or uninsured  
20 defendant fails to make payments required under subsection (1) of this  
21 section, the claimant may bring an action for payment of past and  
22 future benefits against the obligated carrier or uninsured defendant.  
23 In such an action the carrier or defendant is liable for the successful  
24 claimant's attorneys' fees and expenses.

25        NEW SECTION.    **Sec. 4.**        Sections 1 through 3 of this act are  
26 each added to chapter 4.24 RCW.