

---

HOUSE BILL 1670

---

State of Washington

61st Legislature

2009 Regular Session

By Representatives Williams and Moeller

Read first time 01/27/09. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to underwriting actions for insurance on  
2 residential property; and adding a new section to chapter 48.18 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18 RCW  
5 to read as follows:

6 (1) For the purposes of this section:

7 (a) "Excluded insurance claim" means:

8 (i) A claim resulting from a loss due to natural causes including,  
9 but not limited to, floods, earthquakes, lightning, and any weather-  
10 related event in which the loss is not the result of negligence by the  
11 insured; and

12 (ii) A claim that is filed but not paid or payable under the  
13 policy.

14 (b) "Insured" means a current policyholder or a person or entity  
15 that is covered under the insurance policy.

16 (c) "Residential property" means any real estate upon which is  
17 constructed or intended to be constructed a single family dwelling or  
18 multiple family dwelling of four or less units

19 (d) "Underwriting action" means an insurer:

1 (i) Cancels or refuses to renew an insurance policy; or  
2 (ii) Changes the terms or benefits in an insurance policy.

3 (2) This section applies to insurance on residential property.

4 (3) An insurer may not take an underwriting action on a policy  
5 insuring residential property based on claim history if an insured has  
6 made less than three excluded insurance claims for any loss that  
7 occurred during the preceding thirty-six months.

8 (4) An insurer must provide written notice in a timely fashion to  
9 an insured who has filed two excluded insurance claims with the insurer  
10 on residential property within the preceding thirty-six months to  
11 inform the insured that the insurer may take an underwriting action if  
12 a third excluded insurance claim on residential property is filed with  
13 the insurer during the thirty-six month period. If the notice is not  
14 provided to the insured prior of the filing of a third excluded  
15 insurance claim within the thirty-six month time period, the insurer  
16 may not take any underwriting action based on excluded insurance  
17 claims, except as allowed under subsection (5) of this section. The  
18 notice must:

19 (a) Include information regarding the previous claims;

20 (b) Clearly state that the insured may face an underwriting action  
21 if another excluded insurance claim is submitted within a specified  
22 time period; and

23 (c) Clearly state that the insured may face an underwriting action  
24 for claims that are not excluded insurance claims or for other reasons  
25 allowed under Title 48 RCW.

26 (5) An insurer may take an underwriting action due to other factors  
27 that are not prohibited by this section. Nothing in this section  
28 prevents an insurer from taking an underwriting action where a claim  
29 involves fraud by an insured or a claim results from an intentional act  
30 of an insured.

--- END ---