
SUBSTITUTE SENATE BILL 5816

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Labor & Commerce (originally sponsored by Senators Niemi and Pelz)

Read first time 03/03/93.

1 AN ACT Relating to automobile insurance territorial rating; adding
2 new sections to chapter 48.19 RCW; and providing an effective date.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.19 RCW
5 to read as follows:

6 As used in section 2 of this act:

7 (1) "Automobile insurance" means a policy of general casualty,
8 property, or vehicle insurance that includes coverage for loss or
9 damage that occurs while a motorized vehicle is being operated on
10 public roads.

11 (2) "Territory" means a geographic area.

12 (3) "Recognized landmark" means city and county boundaries, a river
13 or body of water, a highway, road, or street.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.19 RCW
15 to read as follows:

16 (1) An insurer must consider differences in expected loss
17 experience when determining the premiums for automobile insurance.
18 Along with its consideration of expected loss experience, the insurer

1 shall consider any other factors in accordance with the other
2 provisions of this chapter.

3 (2) An insurer may use rating variables, including territory, in
4 the formula for determining the premiums for automobile insurance. A
5 vehicle's territory shall be assigned based upon the garaging location
6 of the vehicle insured under the automobile insurance policy.

7 (3) Each insurer must define the boundaries of each territory using
8 recognized landmarks. Each territory must include an area or
9 combination of areas that include an aggregate population of at least
10 one hundred thousand people.

11 (4) Each insurer, when it files to change its rates, must show that
12 each territory is comprised of a population of at least one hundred
13 thousand people.

14 NEW SECTION. **Sec. 3.** This act shall take effect July 1, 1995.

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