

SENATE BILL REPORT

SB 5425

As of January 30, 1995

Title: An act relating to insurer provision of replacement transportation when a claimant's vehicle is totaled.

Brief Description: Providing replacement transportation when a claimant's vehicle is totaled.

Sponsors: Senators Pelz, Fairley, Kohl and Prentice; by request of Insurance Commissioner.

Brief History:

Committee Activity: Financial Institutions & Housing: 1/31/95.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Staff: Catherine Mele (786-7470)

Background: In September 1993, the Insurance Commissioner assembled a task force of her staff to review private passenger auto insurance issues in Washington State. The task force held various meetings with members of the insurance industry, members of the trial bar, and other public members interested in auto insurance issues.

The task force issued a report in October 1994 which recommended that the Insurance Commissioner hold hearings to listen to consumers' views regarding auto insurance. These hearings were held in various locations across Washington State in October of 1994.

When an insured driver causes a collision the insurance company of the at-fault driver is responsible to pay for the damages caused to the not-at-fault party's vehicle. If the car is totaled then the not-at-fault party is due the value of the vehicle destroyed. During the period of settlement the not-at-fault driver may not have transportation.

During the auto hearings concerns were expressed that some not-at-fault claimants were not being provided with replacement transportation when their vehicles were totaled because of an accident.

Summary of Bill: Insurance companies must make a good faith effort to provide a replacement vehicle to a third party claimant whose vehicle is a total loss. The vehicle should be available from the date of loss and end within ten days after a company makes a reasonable good faith offer to settle the claim.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.