

FINAL BILL REPORT

SSB 6565

C 301 L 98

Synopsis as Enacted

Brief Description: Regulating insurance payments of insureds who are victims of domestic abuse.

Sponsors: Senate Committee on Financial Institutions, Insurance & Housing (originally sponsored by Senators Hale, Prentice, Winsley, Franklin, Long, Roach, Haugen, Stevens, Spanel, Wood, Rasmussen, T. Sheldon, Loveland, Benton, Johnson, Thibaudeau, McDonald, B. Sheldon, Snyder, Anderson, Oke and Goings).

Senate Committee on Financial Institutions, Insurance & Housing
House Committee on Financial Institutions & Insurance

Background: Generally, insurers cannot discriminate against an insured or applicant on the basis of gender, marital status, or the presence of a sensory, mental, or physical handicap.

Insurers should be prevented from discriminating against an insured or an applicant because of his or her status as a subject of domestic violence, sexual assault, or child abuse.

Most property and casualty insurance contracts provide an exclusion from coverage if the loss is caused by the intentional act of an insured. Insurers have used this provision to deny payment to innocent co-insureds whose spouses have intentionally caused the damage.

Summary: Insurers are prohibited from refusing an application for insurance, refusing to renew, canceling, restricting or otherwise terminating a policy of insurance, or from charging a different rate for the same coverage based on the applicant or insured's status or potential status of being a victim of domestic abuse.

Domestic abuse— is defined as physical harm, assault, infliction of fear of harm or assault between household or family members. It also includes sexual assault of one family or household member by another, and stalking as defined in the criminal code of one family or household member by another family or household member, or intentionally or recklessly damaging property so as to intimidate or attempt to control the behavior of another.

An exclusion of coverage in an insurance contract for losses caused by intentional or fraudulent acts may not be applied to claims where the loss is caused by an act of domestic abuse by another insured under the policy, provided the loss is otherwise covered, the insured claiming property loss files a police report and cooperates with any law enforcement investigation, and the claimant did not cooperate in creating the loss.

Payment is limited to the person's insurable interest minus payments to a mortgagee or other party with a legal secured interest in the property. An insurer making payment in this situation has rights of subrogation to recover against the person causing the loss.

Votes on Final Passage:

Senate	47	1	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: June 11, 1998