

FINAL BILL REPORT

SHB 2415

C 187 L 06

Synopsis as Enacted

Brief Description: Compensating the victims of uninsured and underinsured motorists.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Ericks, Roach, Kirby, Morrell, Green, Nixon, McDonald, Hasegawa, Conway, Simpson, Ormsby and Schual-Berke; by request of Insurance Commissioner).

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

Background:

Definition of Underinsured Motor Vehicle.

An "underinsured motor vehicle" is defined as a vehicle in which the party legally responsible (by virtue of ownership, maintenance, or use) for the bodily injury or property damage has either no insurance coverage or insufficient coverage to cover the full amount of the damage costs to which the injured party is legally entitled.

Requirements for Automobile Policies.

Automobile insurance must include coverage for damages resulting from underinsured motor vehicles. An insurer must provide coverage for insureds who are legally entitled to recover damages for bodily injury, death, or property damage from owners or operators of underinsured motor vehicles, hit-and-run motor vehicles, and phantom vehicles. State law requires the coverage to apply to "accidents."

"Accident" as Applied in Underinsured Motorist Coverage.

Washington case law has held that an "accident" is not viewed through the eyes of the insured in underinsured motorist coverage. It is not an accident for the purpose of coverage merely because the insured victim does not expect or intend the event that caused harm. Generally, an intentional act by a motorist that leads to an unexpected or unintended result is not covered.

Summary:

"Accident" is defined as an occurrence that is unexpected and unintended from the standpoint of the covered person. This definition of "accident" is to be used in the statute and in the section of policies providing uninsured motorist coverage. "Underinsured coverage" is defined as coverage for underinsured motor vehicles.

An insurer is required to provide underinsured coverage whether or not an incident was intentional unless the insurer can demonstrate that the covered person intended to cause the damage for which the covered person is seeking coverage. If the covered person was the

intended victim of the tortfeasor, the incident must be reported to law enforcement and the covered person must cooperate with any related investigation.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 7, 2006