
SUBSTITUTE HOUSE BILL 1979

State of Washington

67th Legislature

2022 Regular Session

By House Consumer Protection & Business (originally sponsored by Representatives Kirby and Leavitt)

READ FIRST TIME 01/31/22.

1 AN ACT Relating to the appraisal clause found in motor vehicle
2 insurance policies; 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
5 RCW to read as follows:

6 (1) Every basic contract of motor vehicle insurance must include
7 a provision for the right to an appraisal to resolve disputes between
8 the insurer and the insured regarding the actual cash value and
9 amount of loss on the damaged vehicle. Unless an insurer certifies
10 that it is not less favorable to the insured, the policy's appraisal
11 clause must read as follows:

12 (a)(i) If we (the insurance company) and you (the policyholder)
13 are unable to agree as to the amount of loss, either party may make a
14 written demand for an appraisal, and within 10 days each party must
15 select a competent and disinterested appraiser and notify the other
16 party of its selection;

17 (ii) The selected appraisers must appoint a competent and
18 disinterested umpire. If the appraisers do not appoint a competent
19 and disinterested umpire within 15 days, either party may request
20 that a judge of a court of competent jurisdiction select an umpire;

1 (iii) The appraisers must then appraise the loss, making separate
2 findings regarding the amount of loss for each element of loss, and
3 submit their differences to the umpire only if they are unable to
4 agree on the losses;

5 (iv) The amount of loss must be determined by agreement of the
6 appraisers, or by agreement of one appraiser and the umpire; and

7 (v) Each party is responsible for expenses of the appraisal, and
8 each party is equally responsible for the cost of the umpire.

9 (b) However, we (the insurance company) will reimburse you (the
10 policyholder) for the costs of the appraisal process when the amount
11 of loss determined through the appraisal process exceeds the amount
12 of loss we adjusted before the appraisal process was invoked by an
13 amount of five hundred dollars or more. Appraisal process costs
14 include reasonable appraiser professional charges, reasonable
15 attorneys' fees, and other necessary actual costs.

16 (2) This section applies for policies issued or renewed effective
17 on or after January 1, 2023.

18 (3) The definitions in this subsection apply throughout this
19 section unless the context clearly requires otherwise.

20 (a) "Basic contract of motor vehicle insurance" means any motor
21 vehicle insurance policy that includes first-party coverage for
22 physical damage.

23 (b) "Motor vehicle" has the same meaning as in RCW 46.04.320.

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