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**HOUSE BILL 2011**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Peterson, Reed, Kloba, Pollet, Ramel, Lekanoff, Doglio, Nance, Riccelli, and Macri

AN ACT Relating to enhancing consumer protections for automobile insurance coverage; and adding new sections to chapter 48.18 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 48.18 RCW to read as follows:

Every basic contract of automobile insurance issued or renewed effective on or after January 1, 2025, shall include a provision for the right to an appraisal to resolve disputes between the insurer and the insured regarding the actual cash value and amount of loss on the damaged automobile. The appraisal clause shall read as follows unless the insurer certifies that the appraisal clause is more favorable to the insured:

"If [the insurance company] and [the policyholder] are unable to agree as to the amount of loss, either party may make a written demand for an appraisal, and within 10 days each party shall select a competent and disinterested appraiser and notify the other party of its selection.

The selected appraisers shall appoint a competent and disinterested umpire. If the appraisers do not appoint a competent and disinterested umpire within 15 days, either party may request that a judge of a court of competent jurisdiction select an umpire.

The appraisers shall then each appraise the loss, make separate findings regarding the amount of loss for each element of loss, and if the appraisers are unable to agree on the losses, they shall submit their differences to the umpire.

The amount of loss must be determined either by agreement of the appraisers or by agreement of one appraiser and the umpire.

Each party is responsible for their appraisal expenses, and each party is equally responsible for the cost of the umpire.

If the amount of loss determined through the appraisal process is greater than the amount of loss [the insurance company] adjusted before the appraisal process was invoked, [the insurance company] will reimburse [the policyholder] for the costs incurred for the appraisal process.

The appraisal process costs include reasonable appraiser professional charges, reasonable attorneys' fees, and other necessary actual costs."

NEW SECTION. **Sec.**  A new section is added to chapter 48.18 RCW to read as follows:

(1) Every basic contract of automobile insurance shall contain the following language: "When a vehicle is deemed repairable by [the insurance company], the amount paid under the claim must allow the vehicle to be restored to its condition prior to the loss." Restoration of the vehicle to its condition prior to the loss includes repair processes.

(2) Payment of a claim under a basic contract of automobile insurance for automobile physical damage must be based upon the reasonable and necessary costs at the claimant's chosen repair facility. The insurance company has the burden to prove the costs at the claimant's chosen repair facility are unreasonable or unnecessary. Repair processes are deemed reasonable and necessary.

(3) Nothing in this section mandates that an insurance company pay for parts supplied by the original equipment manufacturer, except to the extent that the use of alternate parts would fail to restore the vehicle to its condition prior to the loss.

(4) For the purposes of this section:

(a) "Basic contract of automobile insurance" means any automobile insurance policy that includes first-party coverage for physical damage of an automobile.

(b) "Repair processes" means the explicit processes, tolerances, and other technical requirements or instructions for the repair of a motor vehicle, including scans, calibrations, or diagnostic tests of vehicle electronic systems that the motor vehicle manufacturer makes generally available to dealerships, independent repair shops, and insurers.

**--- END ---**