

# HOUSE BILL REPORT

## EHB 1366

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*As Passed House  
March 12, 1991*

**Title:** An act relating to the effects of terrorism on insurance liability.

**Brief Description:** Exempting terrorism from an insurer's limitations of liability.

**Sponsor(s):** Representatives Zellinsky, Broback, Dellwo, Paris, R. Johnson, Winsley, Sheldon, Anderson, Inslee, R. Meyers, Schmidt, Dorn, Scott, Wynne, Ferguson, Mielke, Wood, Bowman, May, Betrozoff, Sprengle, McLean, Lisk, Silver and Wang.

**Brief History:**

Reported by House Committee on:  
Financial Institutions & Insurance, February 15, 1991,  
DP;  
Passed House, March 12, 1991, 97-0.

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**HOUSE COMMITTEE ON  
FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** *Do pass.* Signed by 13 members:  
Representatives Dellwo, Chair; Zellinsky, Vice Chair;  
Broback, Ranking Minority Member; Mielke, Assistant Ranking  
Minority Member; Anderson; Dorn; Inslee; R. Johnson;  
R. Meyers; Paris; Schmidt; Scott; and Winsley.

**Staff:** John Conniff (786-7119).

**Background:** Many insurance policies including those covering life, health, property, and casualty risks, exclude coverage for losses arising from declared or undeclared acts of war. Some argue that this exclusion may allow denial claims arising from the acts of terrorists. If true, such an exclusion interpretation would allow denial of life insurance claims of air passenger victims of a commercial jet blown up by Iraqi terrorists.

**Summary of Bill:** Accidental death and dismemberment policies pertaining to travel and life insurance policies may not exclude coverage for acts of terrorism.

**Fiscal Note:** Not requested.

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

**Testimony For:** The terrorism exclusion will probably not affect existing life insurance policies. Some companies have announced their intention to ignore enforcement of the war exclusion and in particular, will not use the war exclusion to deny claims which result from terrorist acts.

**Testimony Against:** None.

**Witnesses:** Basil Badley, American Council of Life Insurance (Pro).