
SENATE BILL 5923

State of Washington

52nd Legislature

1991 Regular Session

By Senators Owen and Snyder.

Read first time March 5, 1991. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to definitions in insurance contracts; and adding
2 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 RCW
5 to read as follows:

6 Unless otherwise defined in a contract of insurance on property
7 when used as a basis for loss adjustment, the term "actual cash value"
8 means the cost of replacement less such depreciation as is properly
9 applicable to the subject insured.

10 For purposes of this section, the term "cost of replacement" means
11 the amount necessary to duplicate the subject insured as it existed at
12 the time of loss with a structure of like kind and quality using new
13 materials.