

# SENATE BILL REPORT

## SSB 5193

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As Passed Senate, March 16, 2003

**Title:** An act relating to property insurance for victims of malicious harassment.

**Brief Description:** Prohibiting insurers from taking certain underwriting actions regarding property insurance policies due to claims made for malicious harassment.

**Sponsors:** Senate Committee on Financial Services, Insurance & Housing (originally sponsored by Senators Benton, Prentice, Winsley, Horn, Franklin, Kohl-Welles, Oke and Kline; by request of Insurance Commissioner).

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 1/27/03, 2/20/03 [DPS].  
Passed Senate: 3/16/03, 48-0.

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Majority Report:** That Substitute Senate Bill No. 5193 be substituted therefor, and the substitute bill do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Roach and Zarelli.

**Staff:** Joanne Conrad (786-7472)

**Background:** Sometimes the victim of a hate crime ("malicious harassment") is not an individual, but a building or other property owned by a religious organization. In some cases, the insurer of the religious organization has been reported to cancel or refuse to renew insurance coverage on the property, leaving the organization, and members of the public who enter the premises, unprotected in the event of an injury or loss.

Loss of insurance coverage can have serious consequences for individuals and organizations, including virtually closing down an organization's activities. So, in addition to uncompensated property damage, a malicious act can effectively put someone out of business.

**Summary of Bill:** An insurer cannot take an underwriting action on a property insurance policy of an individual, a religious or educational organization, or a nonprofit organized for religious, charitable or educational purposes if the insured has made a claim for a loss resulting from "malicious harassment," as defined in Washington State's criminal code.

Insurers may take underwriting actions based upon other factors, however.

The insured must file a report with law enforcement for a determination of whether the loss was the result of malicious harassment. Insurers must report claims involving malicious harassment to the Insurance Commissioner.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This is a preventive measure needed to provide assurance to victims of hate crimes. People need to rely on their insurance and not be at risk due to malicious acts of others. There were nearly 300 reported hate crimes in Washington.

**Testimony Against:** None.

**Testified:** Bill Daley, OIC (pro); Diane Baer, Linda Clifton, Anti-Defamation League (pro); Hisham Farajallah, Idriss Mosque (pro).