
SUBSTITUTE HOUSE BILL 2481

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Williams, Blake, Appleton, Moeller, Hasegawa, Chase, Rodne, Eickmeyer, Conway, Roberts, Hunt and Simpson)

READ FIRST TIME 01/30/06.

1 AN ACT Relating to insuring victims of crimes; adding a new section
2 to chapter 48.18 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that access to
5 insurance can be imperiled by the response of insurers to criminal
6 acts. Rather than allow criminals to achieve their objectives, it is
7 the intent of the legislature that criminals, through criminal acts,
8 should not dictate insurance underwriting decisions. It is the intent
9 of the legislature that courts should use restitution from perpetrators
10 of intentional property crimes to make property owners and insurers
11 whole.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.18 RCW
13 to read as follows:

14 (1) For the purposes of this section:

15 (a) "Arson" has the same meaning as in chapter 9A.48 RCW.

16 (b) "Health care facility" has the same meaning as defined in RCW
17 48.43.005.

1 (c) "Health care provider" has the same meaning as defined in RCW
2 48.43.005.

3 (d) "Insured" means a current policyholder or a person or entity
4 that is covered under the insurance policy.

5 (e) A perpetrator does not have to be identified for an act of
6 arson or malicious mischief to have occurred.

7 (f) "Malicious mischief" has the same meaning as in chapter 9A.48
8 RCW.

9 (g) "Underwriting action" means an insurer:

10 (i) Cancels or refuses to renew an insurance policy; or

11 (ii) Changes the terms or benefits in an insurance policy.

12 (2) This section applies to property insurance policies if the
13 insured is:

14 (a) A health care facility;

15 (b) A health care provider; or

16 (c) A religious organization.

17 (3) An insurer may not take an underwriting action on a policy
18 described in subsection (2) of this section because an insured has made
19 one or more insurance claims for any loss that occurred during the
20 preceding sixty months that is the result of arson or malicious
21 mischief. An insurer may take an underwriting action due to other
22 factors that are not prohibited by this subsection.

23 (4) If an insured sustains a loss that is the result of arson or
24 malicious mischief, the insured must file a report with the police or
25 other law enforcement authority within thirty days of discovery of the
26 incident, and a law enforcement authority must determine that a crime
27 has occurred. The report must contain sufficient information to
28 provide an insurer with reasonable notice that the loss was the result
29 of arson or malicious mischief. The insured has a duty to cooperate
30 with any law enforcement official or insurer investigation.

31 (5) Annually, each insurer must report underwriting actions to the
32 commissioner if the insurer has taken an underwriting action against
33 any insured who has filed a claim during the preceding sixty months
34 that was the result of arson or malicious mischief. The report must
35 include the policy number, name of the insured, location of the
36 property, and the reason for the underwriting action.

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