

HOUSE BILL REPORT

HB 1953

As Reported by House Committee On:

Insurance, Financial Services & Consumer Protection

Title: An act relating to premium reductions for older insureds completing an accident prevention course.

Brief Description: Requiring premium reductions for older insureds completing an accident prevention course.

Sponsors: Representatives Wood, Buri, Wallace, Rodne, Schindler, Ahern, Morrell and Ormsby.

Brief History:

Committee Activity:

Insurance, Financial Services & Consumer Protection: 2/15/07, 2/20/07 [DPS].

Brief Summary of Substitute Bill

- Allows for alternative delivery methods for senior driver accident prevention courses, including internet, video, or other technology-based delivery methods.
- Removes certain limitations on courses offered outside of classrooms and the providers of those courses.
- Allows the Department of Licensing to adopt rules ensuring compliance with requirements of courses delivered by alternative methods.

HOUSE COMMITTEE ON INSURANCE, FINANCIAL SERVICES & CONSUMER PROTECTION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Kirby, Chair; Kelley, Vice Chair; Roach, Ranking Minority Member; Strow, Assistant Ranking Minority Member; Hurst, Rodne, Santos and Simpson.

Staff: Jon Hedegard (786-7127).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Office of the Insurance Commissioner (OIC) oversees the insurance industry in this state. Automobile insurance policies and rates are submitted to the OIC for approval. Automobile insurance rates filed with the OIC must provide for an appropriate reduction in premiums for a two-year period for insured drivers who:

- are 55 years of age and older; and
- successfully completed a motor vehicle accident prevention course meeting the criteria of the Department of Licensing (DOL).

The rating discount does not apply to underinsured motorist coverage.

A course must be a minimum of eight hours. It may be for additional hours as determined by rule by the DOL. The course must be offered in a classroom by a public or a private agency approved by the DOL. In areas where a classroom course is not offered, an eight-hour program-learning self-instruction course must be made available. The self-instruction course may only be conducted by a public or private agency approved by the DOL to offer a classroom course.

Upon completion of a course, a participant must be issued a certificate that is the basis for qualifying for the premium discount. A driver may take a course every two years to maintain the discount.

Summary of Substitute Bill:

An eight-hour course meeting the criteria of the DOL may be offered via an alternative delivery method of instruction. An alternative delivery method of instruction may include internet, video, or other technology-based delivery methods.

An agency seeking approval from the DOL to offer an alternative delivery method course of instruction is not required to conduct classroom courses.

An alternative delivery method course of instruction is not limited to areas where a classroom course is not offered.

The DOL may adopt rules to ensuring that drivers take and complete courses delivered by alternative methods.

Substitute Bill Compared to Original Bill:

The provision regarding the DOL rule-making is added.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) I have focused on accident prevention even before I was elected to the Legislature. These types of accident-prevention courses make sense. The bill allows for the methods of delivery that we actually use in the modern world. The bill will make our roads safer. I urge passage of this bill. This allows older drivers to take these courses online. The current classroom requirements limit the availability of the courses. The bill helps all older drivers access these courses, particularly those in rural areas. American Automobile Association of Washington has experience offering online classes. It currently offers online courses to jurisdictions for deferred adjudication of traffic offenses. A driver can take the class instead of paying a ticket. In today's society, people bank and take classes online. It is appropriate to include driver education courses as an option. There are various security features that can be built into the courses. These can include periodic questions throughout the course, an exit exam, or even a hard copy test taken in front of a notary.

(In support with concerns) Insurers want to be certain that the party receiving a discount is actually taking the test. We would like some kind of safeguard.

(Opposed) None.

Persons Testifying: (In support) Representative Wood, prime sponsor; and Dave Overstreet, American Automobile Association of Washington.

(In support with concerns) Mike Kappahn, Farmers Insurance.

Persons Signed In To Testify But Not Testifying: None.