**5720-S AMH CPB H1808.1 - NOT FOR FLOOR USE**

**SSB 5720** - H COMM AMD

By Committee on Consumer Protection & Business

**ADOPTED AS AMENDED 04/07/2023**

Strike everything after the enacting clause and insert the following:

"**Sec.**  RCW 48.18.558 and 2018 c 239 s 2 are each amended to read as follows:

(1) With the prior approval of the commissioner, a property insurer may include the following either goods or services, or both, intended to reduce either the probability of loss, or the extent of loss, or both, from a covered event as part of a policy of property insurance((~~, except commercial property insurance~~)):

(a) Goods, including a water monitor;

(b) Foundation strapping to mitigate losses due to earthquake;

(c) Ongoing services, including home safety monitoring or brush clearing to mitigate losses due to wildfire; and

(d) Other either goods or services, or both, as the commissioner may identify by rule.

(2) Any goods provided are owned by the insured, even if the insurance is subsequently canceled.

(3) The value of goods and services to be provided is limited to ((~~one thousand five hundred dollars~~)) $7,500 or ten percent of the annual policy premium, whichever is greater, in value in the aggregate in any ((~~twelve-month~~)) 12-month period.

(4) In order to receive prior approval of the commissioner, and except as provided in subsection (6) of this section, the property insurer must include the following in its rate filing:

(a) A description of either the specific goods or services, or both, to be offered;

(b) A description of the method of delivering either the specific goods or services, or both, being offered; and

(c) The selection criteria for insureds receiving either the specific goods or services, or both, being offered.

(5) This section does not require the commissioner to approve any particular proposed benefit. The commissioner may disapprove any proposed noninsurance benefit that the commissioner determines may tend to promote or facilitate the violation of any other section of this title. However, if the commissioner approves the inclusion of either the goods or services, or both, in a policy of property insurance((~~, except commercial property insurance,~~)) it does not constitute a violation of RCW 48.30.140 or 48.30.150.

(6)(a) A property insurer may conduct a pilot program as either a risk mitigation or prevention, or both, strategy through which the insurer offers or provides risk mitigation and/or prevention goods and/or services identified in subsection (1) of this section in connection with an insurance policy covering property risks((~~, except commercial property insurance,~~)) in accordance with rules adopted by the commissioner.

(b) A property insurer offering or providing risk mitigation and/or prevention goods and/or services through a pilot program under this subsection is exempt from including information about the risk mitigation and/or prevention goods and/or services in its rate filing as is otherwise required under subsection (4) of this section and RCW 48.19.530.

(c) A property insurer's pilot program may last no longer than two years.

(7) This section does not apply to disaster or emergency response activities of a property insurer.

(8)(a) The commissioner must provide a report to the legislature in accordance with (b) of this subsection that includes to the extent possible based on information provided to the commissioner:

(i) The total number of new property insurance policies that were issued with goods or services, or both, as part of the policy and authorized under this section, including the number of new property insurance policies that were commercial property insurance policies and the number that were residential property insurance policies;

(ii) The number of new commercial property insurance policies that were issued with goods or services, or both, as part of the policy and authorized under this section and the goods or services, or both, were valued as follows:

(A) Up to $1,499;

(B) Between $1,500 and $4,999;

(C) Between $5,000 and $7,499; and

(D) Equal to or greater than $7,500;

(iii) The number of new residential property insurance policies that were issued with goods or services, or both, as part of the policy and authorized under this section and the goods or services, or both, were valued as follows:

(A) Up to $1,499;

(B) Between $1,500 and $4,999;

(C) Between $5,000 and $7,499; and

(D) Equal to or greater than $7,500;

(iv) In providing its report, the commissioner shall rely on information currently held by the commissioner or submitted in routine filings by insurers held by the commissioner. In preparing reports under this subsection, the commissioner shall not demand additional data or information from insurers under RCW 48.02.060 or 48.37.040.

(b) The commissioner's first report must be delivered to the legislature no later than September 1, 2024, and include the information required under this subsection (8) for new property insurance policies issued between August 1, 2023, and August 1, 2024. Thereafter, the commissioner must report the information required under this subsection (8) to the legislature by September 1st of every even-numbered year, which report must include information from new property insurance policies issued between August 1st of the preceding even-numbered year and the year the report is due.

**Sec.**  RCW 48.18.559 and 2018 c 239 s 4 are each amended to read as follows:

The commissioner may adopt rules as necessary to implement RCW 48.18.558 and 48.19.530, including but not limited to:

(1) Rules requiring a notice to insureds or potential insureds regarding their ability to opt out of receiving any risk mitigation and/or prevention goods and/or services;

(2) ((~~Rules increasing the value of either the goods or services, or both, permitted under RCW 48.18.558(1);~~

~~(3)~~)) Rules establishing requirements for pilot programs authorized under RCW 48.18.558(6); and

((~~(4)~~)) (3) Rules identifying which insurer disaster or emergency response activities are exempt from RCW 48.18.558 and 48.19.530 and RCW 48.30.140 and 48.30.150.

**Sec.**  RCW 48.19.530 and 2018 c 239 s 3 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, in addition to other information required by this chapter, a rate filing by a property insurer for a policy((~~, except commercial property insurance,~~)) that includes risk mitigation and/or prevention goods and/or services under RCW 48.18.558, must demonstrate that its rates account for the expected costs of the goods and services and the reduction in expected claims costs resulting from either the goods or services, or both.

(2) This section does not apply to:

(a) A property insurer offering or providing risk mitigation and/or prevention goods and/or services through a pilot program established in RCW 48.18.558(6); or

(b) Disaster or emergency response activities of a property insurer."

Correct the title.

EFFECT: Modifies the limit on the value of authorized goods and services that may be provided with a policy of property insurance.

Removes the commissioner's authority to adopt rules increasing the value of authorized goods and services.

Requires the Office of the Insurance Commissioner to report to the legislature regarding data concerning the provision of authorized goods and services with property insurance policies.

Requires the Office of the Insurance Commissioner to rely on data currently held by the Office of the Insurance Commissioner or submitted in routine filings by insurers held by the Office of the Insurance Commissioner.