

SSB 5720 - H COMM AMD

By Committee on Consumer Protection & Business

ADOPTED AND ENGROSSED 04/07/2023

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 48.18.558 and 2018 c 239 s 2 are each amended to
4 read as follows:

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

- 10 (a) Goods, including a water monitor;
11 (b) Foundation strapping to mitigate losses due to earthquake;
12 (c) Ongoing services, including home safety monitoring or brush
13 clearing to mitigate losses due to wildfire; and
14 (d) Other either goods or services, or both, as the commissioner
15 may identify by rule.

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

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

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

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

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

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

31 (5) This section does not require the commissioner to approve any
32 particular proposed benefit. The commissioner may disapprove any

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

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

14 (b) A property insurer offering or providing risk mitigation
15 and/or prevention goods and/or services through a pilot program under
16 this subsection is exempt from including information about the risk
17 mitigation and/or prevention goods and/or services in its rate filing
18 as is otherwise required under subsection (4) of this section and RCW
19 48.19.530.

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

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

24 **Sec. 2.** RCW 48.18.559 and 2018 c 239 s 4 are each amended to
25 read as follows:

26 The commissioner may adopt rules as necessary to implement RCW
27 48.18.558 and 48.19.530, including but not limited to:

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

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

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

35 ~~((4))~~ (3) Rules identifying which insurer disaster or emergency
36 response activities are exempt from RCW 48.18.558 and 48.19.530 and
37 RCW 48.30.140 and 48.30.150.

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

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

11 (2) This section does not apply to:

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

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

17 Correct the title.

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