

SENATE BILL REPORT

SB 5963

As of January 26, 2024

Title: An act relating to insurance requirements relating to the ownership of certain deadly weapons.

Brief Description: Concerning insurance requirements relating to the ownership of certain deadly weapons.

Sponsors: Senators Kuderer, Valdez, Hunt, Lovelett, Nobles, Pedersen, Stanford, Trudeau, Wellman and Wilson, C..

Brief History:

Committee Activity: Law & Justice: 1/29/24.

Brief Summary of Bill

- Requires individuals who own a firearm to keep and maintain a residential dwelling insurance policy that covers losses or damages resulting from the accidental or unintentional discharge of the firearm.
- Requires surplus line insurance brokers and insurance producers to inform customers of the requirement to keep and maintain an insurance policy that covers losses or damages resulting from the accidental or unintentional discharge of the firearm.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Joe McKittrick (786-7287)

Background: Homeowners and Renters Insurance. Homeowners insurance is a financial protection policy that pays a lump sum if the policy holder's house is damaged or destroyed by fire, weather, theft, or any other covered event. While homeowners insurance is not required by law, mortgage lenders will require it if the home is being financed. A typical

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homeowners insurance policy will include coverage for the structure as well as personal belongings. The policy may also include liability protection for bodily injury or property damage that the insured, including family members and pets, cause to other people. Some policies also cover no-fault medical coverage if someone is injured in the policy holder's home. Homeowners insurance policies have dollar limits on the amount of liability the insurer will assume.

For renters, while a landlord's or property management company's insurance policy will cover damage to the building or the rented space, the renter's personal belongings damaged or stolen will not be covered. Renters may purchase renters insurance to cover costs of theft or damage. Most policies provide coverage for personal property and liability. Personal property coverage pays to repair or replace personal belongings if they are damaged, destroyed, or stolen, and liability insurance provides coverage against a claim or lawsuit arising from bodily injury or property damage to others caused by an accident while on the policyholder's property. As with homeowners insurance, renters insurance policies have liability limits. Some policies may also cover living expenses if the renter is unable to live in the rented space because of an insured loss.

Surplus Line Insurance. Surplus line insurance is coverage for complex risks and is usually purchased when licensed insurers in the standard market will not provide coverage because the risk is too great, the risk is unfamiliar to the provider, or the risk does not meet their guidelines. Surplus lines cover higher risks such as homes built on steep hills, extremely old homes, or rare art or antique collections. Surplus line insurance companies have more flexibility to design and price their policies and generally charge consumers higher premiums because the risk they insure is often more costly to cover.

Summary of Bill: All individuals who own a firearm in Washington must obtain and continually maintain a residential dwelling insurance policy that covers losses or damages resulting from the accidental or unintentional discharge of the firearm including, but not limited to, property damage and death or injury to individuals who are classified as an insured person under the policy. Individuals who own firearms must keep valid and current written evidence of this insurance coverage at any location where a firearm is stored. In the event of the unintentional discharge of a firearm, insurers are not required to defend or indemnify the insured beyond the terms or limits of their policy.

Residential dwelling policy means any personal line insurance policy that includes either property or general casualty coverage, or both, meant to provide insurance for a residence including, but not limited to, homeowner, renter, condominium, mobile home, umbrella, and excess liability policies.

Prior to the sale of a new residential dwelling or renewing a residential dwelling policy, surplus line brokers and insurance producers must ask whether any of the named or prospective insureds on the policy contract own a firearm. If the person responds affirmatively, the surplus line broker or insurance producer must inform the person of the

requirement to keep and maintain a residential dwelling policy that covers losses or damages resulting from the accidental discharge of a firearm and must ask if the firearm or firearms are stored in a locking gun safe or secured with a trigger lock or similar device that is designed to prevent the unauthorized use or discharge of the firearm.

Appropriation: None.

Fiscal Note: Requested on January 26th, 2024.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2025.