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**SUBSTITUTE SENATE BILL 5720**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Business, Financial Services, Gaming & Trade (originally sponsored by Senator Stanford)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to risk mitigation in property insurance; and  
2 amending RCW 48.18.558 and 48.19.530.

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

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

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

11 (a) Goods, including a water monitor;

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

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

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

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

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

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

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

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

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

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

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

25 (b) A property insurer offering or providing risk mitigation  
26 and/or prevention goods and/or services through a pilot program under  
27 this subsection is exempt from including information about the risk  
28 mitigation and/or prevention goods and/or services in its rate filing  
29 as is otherwise required under subsection (4) of this section and RCW  
30 48.19.530.

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

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

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

37 (1) Except as provided in subsection (2) of this section, in  
38 addition to other information required by this chapter, a rate filing  
39 by a property insurer for a policy(~~(, except commercial property~~

1 ~~insurance,~~) that includes risk mitigation and/or prevention goods  
2 and/or services under RCW 48.18.558, must demonstrate that its rates  
3 account for the expected costs of the goods and services and the  
4 reduction in expected claims costs resulting from either the goods or  
5 services, or both.

6 (2) This section does not apply to:

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

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

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