

**ESB 5721** - H COMM AMD

By Committee on Consumer Protection & Business

**ADOPTED 04/14/2025**

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18  
4 RCW to read as follows:

5 (1) Every automobile insurance policy that includes first-party  
6 coverage for physical damage issued or renewed effective on or after  
7 January 1, 2026, must include a provision for the right to an  
8 appraisal to resolve disputes between the insurer and the insured  
9 regarding the actual cash value and amount of loss on the damaged  
10 automobile. The appraisal clause must include the following language,  
11 or corresponding language that the insurer certifies is at least as  
12 favorable to the insured:

13 "If . . . (the insurance company) . . . and . . . (the  
14 policyholder) . . . are unable to agree as to the amount of loss,  
15 either party may make a written demand for an appraisal, and within  
16 10 days each party shall select a competent and disinterested  
17 appraiser and notify the other party of its selection.

18 The appraisers shall then each appraise the actual cash value and  
19 the amount of loss, make separate findings regarding the amount of  
20 loss for each element of loss, and exchange their completed  
21 appraisals. If the appraisers are unable to agree on the losses, the  
22 selected appraisers shall appoint a competent and disinterested  
23 umpire and submit their differences to the umpire. If the appraisers  
24 do not appoint a competent and disinterested umpire within 15 days,  
25 either appraiser may notify the commissioner, and the commissioner  
26 shall identify a registered competent and disinterested umpire that  
27 will be used according to the process that the commissioner specifies  
28 by rule.

29 The appraisers must make their appraisals within 30 calendar days  
30 of selection. If an appraiser needs more than 30 days, the appraiser  
31 shall provide a reasonable basis to the other appraiser before 25

1 days has passed. The appraiser must document the reason or reasons  
2 for the extension in their file.

3 The amount of loss must be determined either by agreement of the  
4 appraisers or by agreement of one appraiser and the umpire. An  
5 agreement of any two is binding.

6 Each party is responsible for their appraisal expenses, and each  
7 party is equally responsible for the cost of the umpire."

8 (2) For purposes of this section, the following definitions  
9 apply:

10 (a) "Appraiser" means a person selected by the insurer or the  
11 insured to place a value on or estimate the amount of loss under an  
12 appraisal clause in an insurance contract;

13 (b) "Competent" means the person has subject matter expertise,  
14 relevant training, and experience to make decisions and valuations  
15 relating to the amount of loss;

16 (c) "Disinterested" means the person does not have a direct  
17 financial interest in the outcome of the appraisal process; and

18 (d) "Umpire" means a person selected by the appraisers  
19 representing the insurer and the insured, or, if the appraisers  
20 cannot agree, by the commissioner, who is charged with resolving  
21 issues that the appraisers are unable to agree upon during the course  
22 of an appraisal.

23 (3) The commissioner may adopt rules as necessary to implement  
24 this section."

25 Correct the title.

EFFECT: (1) States that an agreement by either the appraisers or  
by one appraiser and the umpire is binding.

(2) Strikes the requirement that the insurance company reimburse  
the policyholder for the appraisal process if the loss determined  
through the appraisal process is \$500 or more than what the insurance  
company adjusted.

(3) Removes the stipulation that neither party may demand an  
appraisal until 10 days after the insurance company receives  
notification of the claim.

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