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**HOUSE BILL 2399**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Representatives Hackney, Berry, Ormsby, and Zahn; by request of Insurance Commissioner

Read first time 01/13/26. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to prohibiting the post-loss assignment of  
2 benefits in property insurance; adding a new section to chapter 48.30  
3 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that a post-loss  
6 assignment of benefits in property claims is a contractual agreement  
7 that, once signed, transfers the insurance claim rights and benefits  
8 within the policyholder's insurance policy to a third party. This  
9 contractual arrangement usually involves a restoration or mitigation  
10 contractor doing some, or all, of the repairs of the covered  
11 property. This assignment agreement is different than the  
12 policyholder authorizing direct payment to the restoration or  
13 mitigation contractor from the insurance company. It is also  
14 different than the assignment clause found in the conditions section  
15 within a property policy that prohibits the policyholder from  
16 assigning the policy to another entity unless approved by the  
17 insurance company.

18 The legislature further finds that a post-loss assignment  
19 agreement can allow, but not limit, the third party to: Collect  
20 insurance payments without the involvement of the policyholder;  
21 restrict communications on the claim to prohibit the policyholder's

1 involvement; and sue the insurance company without the consent of the  
2 policyholder.

3 The legislature finds that the basis of the relationship between  
4 the policyholder and the policyholder's insurance company is one  
5 affected by the public interest. The consumer protections in claims  
6 handling as set forth in the insurance code are intended for the  
7 benefit of the policyholder. Therefore, it is the intent of the  
8 legislature that the policyholder be the entity that has control of  
9 the policyholder's property claim with the policyholder's insurer.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.30  
11 RCW to read as follows:

12 (1) No person shall solicit, coerce, require, or contract with  
13 any insured to enter into an assignment agreement, in whole or in  
14 part, whereby any post-loss insurance benefit under any property  
15 insurance coverage is assigned or transferred from the insured to the  
16 person. Such assignment agreement is void and unenforceable.

17 (2) The restriction in subsection (1) of this section does not  
18 apply to any of the following:

19 (a) An insured retaining the services of a licensed public  
20 adjuster under a written agreement to represent solely the  
21 policyholder's financial interest on the loss;

22 (b) An insured retaining the services of an attorney under a  
23 written agreement that compensates the attorney based on a percentage  
24 of a monetary recovery as permitted by the rules of professional  
25 conduct;

26 (c) An assignment, transfer, pledge, or conveyance granted to a  
27 federally insured financial institution, mortgagee, or subsequent  
28 purchaser of the property; or

29 (d) Liability coverage under a personal or commercial line  
30 insurance policy.

31 (3) Nothing in this section is construed to prohibit an insured  
32 from authorizing or directing payment to, or paying, a person for  
33 services, materials, or any other thing which may be, or is, covered  
34 under an insurance policy.

35 (4) If the commissioner has cause to believe that any person has  
36 violated the restriction in subsection (1) of this section the  
37 commissioner may take any of the actions under RCW 48.02.080 and  
38 impose a fine of \$50,000 per violation. Any fine collected by the

1 commissioner under this section must be paid to the state treasurer  
2 for the account of the general fund.

3 (5) For the purposes of this section, the following definitions  
4 apply:

5 (a) "Assignment agreement" means any instrument, by which post-  
6 loss benefits under any property insurance coverage including, but  
7 not limited to, any right of action against the insurer or any  
8 proceeds acquired from the insurer, are assigned or transferred to a  
9 person providing services to the insured including, but not limited  
10 to, inspecting, protecting, repairing, restoring, constructing, or  
11 replacing the insured's property or mitigating the insured's property  
12 against further damage;

13 (b) "Property insurance" has the same meaning as defined in RCW  
14 48.11.040; and

15 (c) "Public adjuster" has the same meaning as defined in RCW  
16 48.17.010.

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