
SENATE BILL 5107

State of Washington

69th Legislature

2025 Regular Session

By Senators Boehnke and Dozier

Prefiled 12/23/24. Read first time 01/13/25. Referred to Committee on Local Government.

1 AN ACT Relating to underinsured motorist coverage for local
2 government employees; amending RCW 48.62.031; adding a new section to
3 chapter 4.92 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 4.92 RCW
6 to read as follows:

7 (1) Each local government shall provide underinsured coverage for
8 motor vehicles owned by the local government and operated or occupied
9 by an officer, employee, or agent of the local government in the
10 course of their employment. The underinsured coverage must provide
11 for the protection of an officer, employee, or agent of the local
12 government who is legally entitled to recover damages from an owner
13 or operator of an underinsured motor vehicle, hit-and-run motor
14 vehicle, or phantom vehicle because of bodily injury, death, or
15 personal property damage suffered by the officer, employee, or agent
16 and resulting from an accident while the officer, employee, or agent
17 was operating or was an occupant in a government-owned motor vehicle
18 in the course of their employment. The underinsured coverage required
19 by this section does not apply to third-party occupants of
20 government-owned vehicles.

1 (2) The coverage required by this section must have limits of at
2 least \$25,000 per person and \$50,000 per accident.

3 (3) The coverage required by this section may be provided by
4 contracts or agreements with private carriers, through self-insurance
5 and self-funding pursuant to chapter 48.62 RCW, or in any other
6 manner authorized by law.

7 (4) For purposes of this section:

8 (a) "Local government" includes any city, county, or other
9 subdivision of the state and any municipal corporation, quasi-
10 municipal corporation, or special district within the state.

11 (b) "Phantom vehicle" has the same meaning as in RCW 48.22.030.

12 (c) "Third-party occupant" means a person who occupies a vehicle
13 owned, leased, or rented by the local government and who is not an
14 officer, employee, or agent of the local government.

15 (d) "Underinsured coverage" has the same meaning as in RCW
16 48.22.030.

17 (e) "Underinsured motor vehicle" has the same meaning as in RCW
18 48.22.030.

19 **Sec. 2.** RCW 48.62.031 and 2019 c 26 s 3 are each amended to read
20 as follows:

21 (1) The governing body of a local government entity may
22 individually self-insure, may join or form a self-insurance program
23 together with other entities, including the board of pilotage
24 commissioners, and may jointly purchase insurance or reinsurance with
25 those other entities for property and liability risks, underinsured
26 coverage under section 1 of this act, and health and welfare benefits
27 only as permitted under this chapter. In addition, the entity or
28 entities may contract for or hire personnel to provide risk
29 management, claims, and administrative services in accordance with
30 this chapter.

31 (2) The agreement to form a joint self-insurance program shall be
32 made under chapter 39.34 RCW and may create a separate legal or
33 administrative entity with powers delegated thereto.

34 (3) Every individual and joint self-insurance program is subject
35 to audit by the state auditor.

36 (4) If provided for in the agreement or contract established
37 under chapter 39.34 RCW, a joint self-insurance program may, in
38 conformance with this chapter:

1 (a) Contract or otherwise provide for risk management and loss
2 control services;

3 (b) Contract or otherwise provide legal counsel for the defense
4 of claims and other legal services;

5 (c) Consult with the state insurance commissioner and the state
6 risk manager;

7 (d) Jointly purchase insurance and reinsurance coverage in such
8 form and amount as the program's participants agree by contract;

9 (e) Obligate the program's participants to pledge revenues or
10 contribute money to secure the obligations or pay the expenses of the
11 program, including the establishment of a reserve or fund for
12 coverage; and

13 (f) Possess any other powers and perform all other functions
14 reasonably necessary to carry out the purposes of this chapter.

15 (5) A self-insurance program formed and governed under this
16 chapter that has decided to assume a risk of loss must have available
17 for inspection by the state auditor a written report indicating the
18 class of risk or risks the governing body of the entity has decided
19 to assume.

20 (6) Every joint self-insurance program governed by this chapter
21 shall appoint the risk manager as its attorney to receive service of,
22 and upon whom shall be served, all legal process issued against it in
23 this state upon causes of action arising in this state.

24 (a) Service upon the risk manager as attorney shall constitute
25 service upon the program. Service upon joint insurance programs
26 subject to chapter 30, Laws of 1991 sp. sess. can be had only by
27 service upon the risk manager. At the time of service, the plaintiff
28 shall pay to the risk manager a fee to be set by the risk manager,
29 taxable as costs in the action.

30 (b) With the initial filing for approval with the risk manager,
31 each joint self-insurance program shall designate by name and address
32 the person to whom the risk manager shall forward legal process so
33 served upon him or her. The joint self-insurance program may change
34 such person by filing a new designation.

35 (c) The appointment of the risk manager as attorney shall be
36 irrevocable, shall bind any successor in interest or to the assets or
37 liabilities of the joint self-insurance program, and shall remain in
38 effect as long as there is in force in this state any contract made
39 by the joint self-insurance program or liabilities or duties arising
40 therefrom.

1 (d) The risk manager shall keep a record of the day and hour of
2 service upon him or her of all legal process. A copy of the process,
3 by registered mail with return receipt requested, shall be sent by
4 the risk manager, to the person designated for the purpose by the
5 joint self-insurance program in its most recent such designation
6 filed with the risk manager. No proceedings shall be had against the
7 joint self-insurance program, and the program shall not be required
8 to appear, plead, or answer, until the expiration of forty days after
9 the date of service upon the risk manager.

10 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2026.

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