

CERTIFICATION OF ENROLLMENT

ENGROSSED SENATE BILL 5721

69th Legislature
2025 Regular Session

Passed by the Senate April 22, 2025
Yeas 46 Nays 2

President of the Senate

Passed by the House April 14, 2025
Yeas 96 Nays 1

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 5721** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SENATE BILL 5721

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By Senators Stanford, Valdez, Hasegawa, Riccelli, Alvarado, Nobles, Orwall, Slatter, Trudeau, and Wellman

Read first time 02/10/25. Referred to Committee on Business, Financial Services & Trade.

1 AN ACT Relating to enhancing consumer protections for automobile
2 insurance coverage; and adding a new section to chapter 48.18 RCW.

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

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

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

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

19 The appraisers shall then each appraise the actual cash value and
20 the amount of loss, make separate findings regarding the amount of

1 loss for each element of loss, and exchange their completed
2 appraisals. If the appraisers are unable to agree on the losses, the
3 selected appraisers shall appoint a competent and disinterested
4 umpire and submit their differences to the umpire. If the appraisers
5 do not appoint a competent and disinterested umpire within 15 days,
6 either appraiser may notify the commissioner, and the commissioner
7 shall identify a registered competent and disinterested umpire that
8 will be used according to the process that the commissioner specifies
9 by rule.

10 The appraisers must make their appraisals within 30 calendar days
11 of selection. If an appraiser needs more than 30 days, the appraiser
12 shall provide a reasonable basis to the other appraiser before 25
13 days has passed. The appraiser must document the reason or reasons
14 for the extension in their file.

15 The amount of loss must be determined either by agreement of the
16 appraisers or by agreement of one appraiser and the umpire. An
17 agreement of any two is binding.

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

20 (2) For purposes of this section, the following definitions
21 apply:

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

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

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

30 (d) "Umpire" means a person selected by the appraisers
31 representing the insurer and the insured, or, if the appraisers
32 cannot agree, by the commissioner, who is charged with resolving
33 issues that the appraisers are unable to agree upon during the course
34 of an appraisal.

35 (3) The commissioner may adopt rules as necessary to implement
36 this section.

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