

2987.E AMS FSIH S4955.1

EHB 2987 - S COMM AMD

By Committee on Financial Services, Insurance & Housing

NOT ADOPTED 03/03/2004

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

3 "Sec. 1. RCW 48.22.030 and 1985 c 328 s 1 are each amended to read
4 as follows:

5 (1) "Underinsured motor vehicle" means a motor vehicle with respect
6 to the ownership, maintenance, or use of which either no bodily injury
7 or property damage liability bond or insurance policy applies at the
8 time of an accident, or with respect to which the sum of the limits of
9 liability under all bodily injury or property damage liability bonds
10 and insurance policies applicable to a covered person after an accident
11 is less than the applicable damages which the covered person is legally
12 entitled to recover.

13 (2) Except under subsection (9) of this section, no new policy or
14 renewal of an existing policy insuring against loss resulting from
15 liability imposed by law for bodily injury, death, or property damage,
16 suffered by any person arising out of the ownership, maintenance, or
17 use of a motor vehicle shall be issued with respect to any motor
18 vehicle registered or principally garaged in this state unless coverage
19 is provided therein or supplemental thereto for the protection of
20 persons insured thereunder who are legally entitled to recover damages
21 from owners or operators of underinsured motor vehicles, hit-and-run
22 motor vehicles, and phantom vehicles because of bodily injury, death,
23 or property damage, resulting therefrom, except while operating or
24 occupying a motorcycle or motor-driven cycle, and except while
25 operating or occupying a motor vehicle owned or available for the
26 regular use by the named insured or any family member, and which is not
27 insured under the liability coverage of the policy. The coverage
28 required to be offered under this chapter is not applicable to general
29 liability policies, commonly known as umbrella policies, or other

1 policies which apply only as excess to the insurance directly
2 applicable to the vehicle insured.

3 (3) Except as to property damage, coverage required under
4 subsection (2) of this section shall be in the same amount as the
5 insured's third party liability coverage unless the insured rejects all
6 or part of the coverage as provided in subsection (4) of this section.
7 Coverage for property damage need only be issued in conjunction with
8 coverage for bodily injury or death. Property damage coverage required
9 under subsection (2) of this section shall mean physical damage to the
10 insured motor vehicle unless the policy specifically provides coverage
11 for the contents thereof or other forms of property damage. When a
12 named insured or spouse chooses a property damage coverage less than
13 the insured's third party liability coverage for property damage, a
14 written rejection is not required.

15 (4) A named insured or spouse may reject, in writing, underinsured
16 coverage for bodily injury or death, or property damage, and the
17 requirements of subsections (2) and (3) of this section shall not
18 apply. If a named insured or spouse has rejected underinsured
19 coverage, such coverage shall not be included in any supplemental or
20 renewal policy unless a named insured or spouse subsequently requests
21 such coverage in writing. The requirement of a written rejection under
22 this subsection shall apply only to the original issuance of policies
23 issued after July 24, 1983, and not to any renewal or replacement
24 policy.

25 (5) The limit of liability under the policy coverage may be defined
26 as the maximum limits of liability for all damages resulting from any
27 one accident regardless of the number of covered persons, claims made,
28 or vehicles or premiums shown on the policy, or premiums paid, or
29 vehicles involved in an accident.

30 (6) The policy may provide that if an injured person has other
31 similar insurance available to him under other policies, the total
32 limits of liability of all coverages shall not exceed the higher of the
33 applicable limits of the respective coverages.

34 (7) (a) The policy may provide for a deductible of not more than
35 three hundred dollars for payment for property damage when the damage
36 is caused by a hit-and-run driver or a phantom vehicle.

1 (b) In all other cases of underinsured property damage coverage,
2 the policy may provide for a deductible of not more than one hundred
3 dollars.

4 (8) For the purposes of this chapter, a "phantom vehicle" shall
5 mean a motor vehicle which causes bodily injury, death, or property
6 damage to an insured and has no physical contact with the insured or
7 the vehicle which the insured is occupying at the time of the accident
8 if:

9 (a) The facts of the accident can be corroborated by competent
10 evidence other than the testimony of the insured or any person having
11 an underinsured motorist claim resulting from the accident; and

12 (b) The accident has been reported to the appropriate law
13 enforcement agency within seventy-two hours of the accident.

14 (9) An insurer who elects to write motorcycle or motor-driven cycle
15 insurance in this state must provide information to prospective
16 insureds about the coverage and provide an opportunity for prospective
17 insureds to reject the coverage in writing."

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18 On page 1, line 1 of the title, after "coverage;" strike the
19 remainder of the title and insert "and amending RCW 48.22.030."

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