

SENATE BILL REPORT

SHB 1573

AS OF FEBRUARY 20, 1992

Brief Description: Establishing the measure of damages for a motor vehicle.

SPONSORS: House Committee on Judiciary (originally sponsored by Representatives Winsley, Dellwo, Inslee, R. Meyers, Dorn, R. Johnson and Anderson).

HOUSE COMMITTEE ON JUDICIARY

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Tom Fender (786-7414)

Hearing Dates: April 5, 1991; February 20, 1992

BACKGROUND:

The terms "special" and "general damages" have given way as a result of tort reform to the concept of economic and noneconomic damages. Included within economic damages are damages to property.

The current general formula characterizes an economic damage to be the loss of use of property and the cost of replacement or repair. Such broad terms have resulted in a variety of case decisions, contract language and Insurance Commission rules. This confusion augments the cost of insurance coverage through claim resolution delay and in some cases unnecessary litigation.

Accordingly, standards are required in this area. This definition is known as a "measure of damages."

SUMMARY:

The measure of damages for property damage to an automobile are: (1) the reasonable cost of repair; or (2) the difference between the undamaged vehicle's value and the damaged vehicle's value, whichever is less plus reasonable damages for loss of the use of the vehicle. Loss of use damages shall continue until the vehicle is repaired or a proper settlement offer is made at a rate of not less than \$15 per day.

Appropriation: none

Revenue: none

Fiscal Note: none requested