

SENATE BILL REPORT

SHB 2860

AS OF FEBRUARY 21, 1992

Brief Description: Regulating the mandatory offering of personal injury protection insurance.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representative R. Meyers)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Traci Anderson (786-7452)

Hearing Dates: February 27, 1992

BACKGROUND:

Most automobile insurance companies offer medical coverage, also referred to as personal injury protection (PIP) coverage, as part of a comprehensive auto insurance policy. PIP coverage includes disability, wage loss, and death benefit coverage. The Insurance Commissioner has adopted limited rules setting basic standards for the amount of coverage to be offered by insurers who market PIP coverage.

SUMMARY:

Automobile liability insurance companies must provide PIP coverage under non-business auto insurance policies unless the named insured or spouse rejects PIP coverage in writing. Insurers need not provide PIP coverage for motorcycles, for intentional injuries or for other circumstances as provided.

Coverage must extend to reasonable and necessary medical and hospital expenses incurred within three years from the date of the insured's injury up to \$10,000. Funeral expenses must be covered up to \$2,000. Loss of income benefits must be provided up to \$10,000, subject to certain limits. Loss of services benefits must be provided up to \$40 per day and must not exceed a total of \$5,000. Insurers must make higher limits of coverage available.

Insurers and policyholders must adhere to the claim procedures outlined.

An insurer who claims a subrogation right in an award obtained by its policyholder must share the policyholder's attorney costs and court expenses. Such insurer has no right of subrogation if the insured has not been fully compensated.

An insurer may not incorporate any exclusion, condition, or other provision in a policy that limits the PIP benefits required.

Appropriation: none

Revenue: none

Fiscal Note: none requested