

SENATE BILL REPORT

SB 5188

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, JANUARY 28, 1994

Brief Description: Allowing specified valuation of items covered by a homeowner's policy.

SPONSORS: Senators Moore, Prentice and Loveland

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5188 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Deccio, Fraser, McAuliffe, Pelz, Sutherland, Vognild and Wojahn.

Staff: Blaine Gibson (786-7375)

Hearing Dates: January 29, 1993; February 8, 1993; January 24, 1994; January 28, 1994

BACKGROUND:

Consumers have experienced difficulties in recovering the full value of insured items.

SUMMARY:

The original bill was not considered.

EFFECT OF PROPOSED SUBSTITUTE:

Insurers are required to offer coverage in homeowners' policies for specified items at agreed values. If a claim is made against that item, the insurer must pay the agreed value of the item.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

If a customer and an insurance company specify an item in the contract, mutually agree to the value, and the insured pays the premiums, the company should pay based upon the agreed to value.

TESTIMONY AGAINST:

Homeowners policies should not be required to cover specific items at mutually agreed to values. Some companies offer separate policies to cover specific items.

TESTIFIED: Senate Moore (pro); Mike Kapphahn, Farmers Insurance (con); Jean Leonard, State Farm Insurance (con); Mel Sorensen, NAII (con)