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SENATE BILL 6309

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State of Washington

54th Legislature

1996 Regular Session

By Senators Prentice, Winsley, Franklin, Swecker, Schow, Sheldon, Rasmussen, Bauer, Fraser, Oke and Fairley

Read first time 01/11/96. Referred to Committee on Financial Institutions & Housing.

1 AN ACT Relating to insurance coverage for hazardous waste cleanups;  
2 and adding a new section to chapter 48.05 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 48.05 RCW  
5 to read as follows:

6 (1) Where an insurer has provided liability coverage for bodily  
7 injury or property damage caused by a release of hazardous substances  
8 and that coverage potentially would be available to compensate a third  
9 party or other entity, then that third party or other entity has a  
10 direct cause of action against the insurer.

11 (2) Where an insurer has provided liability coverage for bodily  
12 injury or property damage caused by a release of hazardous substances  
13 and, but for a petition for relief granted under the bankruptcy code,  
14 the dissolution of a corporation, limited liability corporation,  
15 partnership or limited partnership, or death of a person, that coverage  
16 potentially would be available to compensate a third party or other  
17 entity, then that third party or other entity has a direct cause of  
18 action against the insurer of the debtor, dissolved corporation,  
19 limited liability corporation, partnership or limited partnership, or

1 deceased person. Nothing in this section may be interpreted to give  
2 rise to a cause of action against the bankrupt shareholders of a  
3 dissolved corporation or heirs of a deceased person.

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