
HOUSE BILL 1796

State of Washington

55th Legislature

1997 Regular Session

By Representatives Smith, Zellinsky, Wolfe, Grant, Benson, DeBolt, Wensman, Constantine, L. Thomas, Keiser and Sullivan

Read first time 02/10/97. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to delivery of the cancellation notice for an
2 insurance policy; and amending RCW 48.18.290.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.18.290 and 1988 c 249 s 2 are each amended to read
5 as follows:

6 (1) Cancellation by the insurer of any policy which by its terms is
7 cancellable at the option of the insurer, or of any binder based on
8 such policy which does not contain a clearly stated expiration date,
9 may be effected as to any interest only upon compliance with the
10 following:

11 (a) Written notice of such cancellation, accompanied by the actual
12 reason therefor, must be actually delivered or mailed to the named
13 insured not less than forty-five days prior to the effective date of
14 the cancellation except for cancellation of insurance policies for
15 nonpayment of premiums, which notice shall be not less than ten days
16 prior to such date and except for cancellation of fire insurance
17 policies under chapter 48.53 RCW, which notice shall not be less than
18 five days prior to such date;

1 (b) Like notice must also be so delivered or mailed to each
2 mortgagee, pledgee, or other person shown by the policy to have an
3 interest in any loss which may occur thereunder. For purposes of this
4 subsection (1)(b), "delivered" includes electronic transmittal,
5 facsimile, or personal delivery.

6 (2) The mailing of any such notice shall be effected by depositing
7 it in a sealed envelope, directed to the addressee at his or her last
8 address as known to the insurer or as shown by the insurer's records,
9 with proper prepaid postage affixed, in a letter depository of the
10 United States post office. The insurer shall retain in its records any
11 such item so mailed, together with its envelope, which was returned by
12 the post office upon failure to find, or deliver the mailing to, the
13 addressee.

14 (3) The affidavit of the individual making or supervising such a
15 mailing, shall constitute prima facie evidence of such facts of the
16 mailing as are therein affirmed.

17 (4) The portion of any premium paid to the insurer on account of
18 the policy, unearned because of the cancellation and in amount as
19 computed on the pro rata basis, must be actually paid to the insured or
20 other person entitled thereto as shown by the policy or by any
21 endorsement thereon, or be mailed to the insured or such person as soon
22 as possible, and no later than forty-five days after the date of notice
23 of cancellation to the insured for homeowners', dwelling fire, and
24 private passenger auto. Any such payment may be made by cash, or by
25 check, bank draft, or money order.

26 (5) This section shall not apply to contracts of life or disability
27 insurance without provision for cancellation prior to the date to which
28 premiums have been paid, or to contracts of insurance procured under
29 the provisions of chapter 48.15 RCW.

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