
HOUSE BILL 1077

State of Washington

56th Legislature

1999 Regular Session

By Representatives Dunshee, Stensen, Hurst and Lovick

Read first time 01/14/1999. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to prompt payment of insurance claims; adding a new
2 section to chapter 48.18 RCW; and prescribing penalties.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18 RCW
5 to read as follows:

6 (1) Insurers have a duty to process claims for benefits under an
7 insurance policy in a prompt and fair manner. An insurer shall pay a
8 claim within forty-five days of receipt unless the insurer complies
9 with standards for prompt investigation and settlement of claims
10 adopted by the commissioner by rule, as currently existing or as
11 hereafter amended. If the insurer disputes part of the claim and
12 agrees to part, the insurer shall pay the part agreed to immediately
13 and resolve the disputed amount in a prompt and fair manner. The
14 insurance commissioner may investigate a policyholder's complaint that
15 a claim has not been processed in a prompt or fair manner and take
16 appropriate action against the insured, including imposing a fine of up
17 to ten thousand dollars to be deposited in the general fund, if the
18 commissioner finds that the insurer did not process the claim in a

1 prompt or fair manner and that the insured has not resolved the claim
2 as directed by the commissioner.

3 (2) This section does not limit other actions or remedies available
4 to the commissioner or the insured under statute, rule, contract, or
5 common law.

--- END ---