
HOUSE BILL 2836

State of Washington 58th Legislature 2004 Regular Session

By Representatives Schual-Berke, Benson and Linville

Read first time 01/21/2004. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to homeowners' insurance; and adding a new section
2 to chapter 48.18 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 48.18 RCW
5 to read as follows:

6 (1) For the purposes of this section:

7 (a) "Adverse action" has the same meaning as defined in the fair
8 credit reporting act, 15 U.S.C. Sec. 1681 et seq. Adverse actions
9 include, but are not limited to the following:

10 (i) Cancellation, denial, or nonrenewal of homeowners' insurance
11 coverage;

12 (ii) Charging a higher insurance premium for homeowners' insurance
13 than would have been charged if the information from the consumer
14 reporting organization had been more favorable, whether the charge is
15 by any of the following:

16 (A) Application of a rating rule;

17 (B) Assignment to a rating tier that does not have the lowest
18 available rates; or

1 (C) Placement with an affiliate company that does not offer the
2 lowest rates available to the consumer within the affiliate group of
3 insurance companies; or

4 (iii) Any reduction, adverse, or unfavorable change in the terms of
5 coverage or amount of any homeowners' insurance due to information
6 received from a consumer reporting organization, including the
7 following:

8 (A) Coverage provided to the consumer is not as broad in scope as
9 coverage requested by the consumer but available to other insureds of
10 the insurer or any affiliate; or

11 (B) The consumer is not eligible for benefits such as dividends
12 that are available through affiliate insurers.

13 (b) "Affiliate" has the same meaning as defined in RCW
14 48.31B.005(1).

15 (c) "Consumer" means an individual policyholder or applicant for
16 insurance.

17 (d) "Consumer reporting organization" means an organization that
18 operates a data base, which is populated primarily by information
19 provided by insurance institutions.

20 (e) "Homeowners' insurance coverage" includes residential
21 homeowners', mobile homeowners', manufactured homeowners', condominium
22 owners', and renters' coverage.

23 (f) "Tier" means a category within a single insurer into which
24 insureds with substantially like insuring, risk or exposure factors,
25 and expense elements are placed for purposes of determining rate or
26 premium.

27 (2) An insurer may not base an adverse underwriting decision in
28 whole or in part on the fact that an individual has previously inquired
29 about the nature or scope of coverage under a homeowners' insurance
30 policy if:

31 (a) The information is received from the insurer's records or from
32 a consumer reporting organization; and

33 (b) If the inquiry did not result in the filing of a claim.

34 (3) An insurer must not base an adverse underwriting decision
35 solely on the loss history of a previous owner of the property to be
36 insured.

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