
HOUSE BILL 2987

State of Washington 58th Legislature 2004 Regular Session

By Representatives Roach, G. Simpson, Dunshee, Murray, Anderson, Hatfield, Cairnes, Delvin, Buck and Woods

Read first time 01/26/2004. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to underinsured motorist coverage; and amending RCW
2 48.22.030.

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

4 **Sec. 1.** RCW 48.22.030 and 1985 c 328 s 1 are each amended to read
5 as follows:

6 (1) "Underinsured motor vehicle" means a motor vehicle with respect
7 to the ownership, maintenance, or use of which either no bodily injury
8 or property damage liability bond or insurance policy applies at the
9 time of an accident, or with respect to which the sum of the limits of
10 liability under all bodily injury or property damage liability bonds
11 and insurance policies applicable to a covered person after an accident
12 is less than the applicable damages which the covered person is legally
13 entitled to recover.

14 (2) Except under subsection (9) of this section, no new policy or
15 renewal of an existing policy insuring against loss resulting from
16 liability imposed by law for bodily injury, death, or property damage,
17 suffered by any person arising out of the ownership, maintenance, or
18 use of a motor vehicle shall be issued with respect to any motor
19 vehicle registered or principally garaged in this state unless coverage

1 is provided therein or supplemental thereto for the protection of
2 persons insured thereunder who are legally entitled to recover damages
3 from owners or operators of underinsured motor vehicles, hit-and-run
4 motor vehicles, and phantom vehicles because of bodily injury, death,
5 or property damage, resulting therefrom, except while operating or
6 occupying a motorcycle or motor-driven cycle, and except while
7 operating or occupying a motor vehicle owned or available for the
8 regular use by the named insured or any family member, and which is not
9 insured under the liability coverage of the policy. The coverage
10 required to be offered under this chapter is not applicable to general
11 liability policies, commonly known as umbrella policies, or other
12 policies which apply only as excess to the insurance directly
13 applicable to the vehicle insured.

14 (3) Except as to property damage, coverage required under
15 subsection (2) of this section shall be in the same amount as the
16 insured's third party liability coverage unless the insured rejects all
17 or part of the coverage as provided in subsection (4) of this section.
18 Coverage for property damage need only be issued in conjunction with
19 coverage for bodily injury or death. Property damage coverage required
20 under subsection (2) of this section shall mean physical damage to the
21 insured motor vehicle unless the policy specifically provides coverage
22 for the contents thereof or other forms of property damage.

23 (4) A named insured or spouse may reject, in writing, underinsured
24 coverage for bodily injury or death, or property damage, and the
25 requirements of subsections (2) and (3) of this section shall not
26 apply. If a named insured or spouse has rejected underinsured
27 coverage, such coverage shall not be included in any supplemental or
28 renewal policy unless a named insured or spouse subsequently requests
29 such coverage in writing. The requirement of a written rejection under
30 this subsection shall apply only to the original issuance of policies
31 issued after July 24, 1983, and not to any renewal or replacement
32 policy.

33 (5) The limit of liability under the policy coverage may be defined
34 as the maximum limits of liability for all damages resulting from any
35 one accident regardless of the number of covered persons, claims made,
36 or vehicles or premiums shown on the policy, or premiums paid, or
37 vehicles involved in an accident.

1 (6) The policy may provide that if an injured person has other
2 similar insurance available to him under other policies, the total
3 limits of liability of all coverages shall not exceed the higher of the
4 applicable limits of the respective coverages.

5 (7) (a) The policy may provide for a deductible of not more than
6 three hundred dollars for payment for property damage when the damage
7 is caused by a hit-and-run driver or a phantom vehicle.

8 (b) In all other cases of underinsured property damage coverage,
9 the policy may provide for a deductible of not more than one hundred
10 dollars.

11 (8) For the purposes of this chapter, a "phantom vehicle" shall
12 mean a motor vehicle which causes bodily injury, death, or property
13 damage to an insured and has no physical contact with the insured or
14 the vehicle which the insured is occupying at the time of the accident
15 if:

16 (a) The facts of the accident can be corroborated by competent
17 evidence other than the testimony of the insured or any person having
18 an underinsured motorist claim resulting from the accident; and

19 (b) The accident has been reported to the appropriate law
20 enforcement agency within seventy-two hours of the accident.

21 (9) An insurer who elects to write motorcycle or motor-driven cycle
22 insurance in this state must provide information to prospective
23 insureds about the coverage and provide an opportunity for prospective
24 insureds to reject the coverage in writing.

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