

SHB 2481 - S COMM AMD

By Committee on Financial Institutions, Housing & Consumer
Protection

ADOPTED 02/28/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that access to
4 insurance can be imperiled by the response of insurers to criminal
5 acts. Rather than allow criminals to achieve their objectives, it is
6 the intent of the legislature that criminals, through criminal acts,
7 should not dictate insurance underwriting decisions. It is the intent
8 of the legislature that courts should use restitution from perpetrators
9 of intentional property crimes to make property owners and insurers
10 whole.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.18 RCW
12 to read as follows:

13 (1) For the purposes of this section:

14 (a) "Arson" has the same meaning as in chapter 9A.48 RCW.

15 (b) "Health care facility" has the same meaning as defined in RCW
16 48.43.005.

17 (c) "Health care provider" has the same meaning as defined in RCW
18 48.43.005.

19 (d) "Insured" means a current policyholder or a person or entity
20 that is covered under the insurance policy.

21 (e) A perpetrator does not have to be identified for an act of
22 arson or malicious mischief to have occurred.

23 (f) "Malicious mischief" has the same meaning as in chapter 9A.48
24 RCW.

25 (g) "Underwriting action" means an insurer:

26 (i) Cancels or refuses to renew an insurance policy; or

27 (ii) Changes the terms or benefits in an insurance policy.

28 (2) This section applies to property insurance policies if the
29 insured is:

- 1 (a) A health care facility;
2 (b) An independent health care clinic;
3 (c) A health care provider; or
4 (d) A religious organization.

5 (3) An insurer may not take an underwriting action on a policy
6 described in subsection (2) of this section because an insured has made
7 one or more insurance claims for any loss that occurred during the
8 preceding sixty months that is the result of arson or malicious
9 mischief. An insurer may take an underwriting action due to other
10 factors that are not prohibited by this subsection.

11 (4) If an insured sustains a loss that is the result of arson or
12 malicious mischief, the insured must file a report with the police or
13 other law enforcement authority within thirty days of discovery of the
14 incident, and a law enforcement authority must determine that a crime
15 has occurred. The report must contain sufficient information to
16 provide an insurer with reasonable notice that the loss was the result
17 of arson or malicious mischief. The insured has a duty to cooperate
18 with any law enforcement official or insurer investigation.

19 (5) Annually, each insurer must report underwriting actions to the
20 commissioner if the insurer has taken an underwriting action against
21 any insured who has filed a claim during the preceding sixty months
22 that was the result of arson or malicious mischief. The report must
23 include the policy number, name of the insured, location of the
24 property, and the reason for the underwriting action."

SHB 2481 - S COMM AMD

By Committee on Financial Institutions, Housing & Consumer
Protection

ADOPTED 02/28/2006

25 On page 1, line 1 of the title, after "crimes;" strike the
26 remainder of the title and insert "adding a new section to chapter
27 48.18 RCW; and creating a new section."

--- END ---