
**Financial Institutions &
Insurance Committee**

HB 2415

Brief Description: Compensating the victims of uninsured and underinsured motorists.

Sponsors: Representatives Ericks, Roach, Kirby, Morrell and Green; by request of Insurance Commissioner.

Brief Summary of Bill

- Defines "accident" as an occurrence that is unexpected and unintended from the viewpoint of the covered person.

Hearing Date: 1/10/06

Staff: Jon Hedegard (786-7127).

Background:

Definition of underinsured motor vehicle.

An "underinsured motor vehicle" is defined as a vehicle in which the party legally responsible (by virtue of ownership, maintenance, or use) for the bodily injury or property damage has either no insurance coverage or insufficient coverage to cover the full amount of the damage costs to which the injured party is legally entitled.

Requirements for automobile policies.

Automobile insurance must include coverage for damages resulting from underinsured motor vehicles. An insurer must provide coverage for insureds who are legally entitled to recover damages for bodily injury, death, or property damage from owners or operators of underinsured motor vehicles, hit-and-run motor vehicles, and phantom vehicles. Existing statutes require the coverage to apply to "accidents."

"Accident" as applied in underinsured motorist coverage.

Washington case law has held that an "accident" is not viewed through the eyes of the insured in underinsured motorist coverage. It is not an accident for the purpose of coverage merely because the insured victim does not expect or intend the event that caused harm. Generally, an intentional act by a motorist that leads to an unexpected or intended result is not covered.

Summary of Bill:

Coverage is required whether or not an event was intentional unless the insurer can demonstrate that the insured intended to cause the damage for which they are seeking coverage. "Accident" is defined as an occurrence that is unexpected and unintended from the standpoint of the covered person. This definition of "accident" is to be used in the statute and in the section of policies providing uninsured motorist coverage.

Appropriation: None.

Fiscal Note: Requested on January 5, 2006.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.