

FINAL BILL REPORT

SHB 2481

C 145 L 06

Synopsis as Enacted

Brief Description: Insuring victims of crimes.

Sponsors: By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Williams, Blake, Appleton, Moeller, Hasegawa, Chase, Rodne, Eickmeyer, Conway, Roberts, Hunt and Simpson).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Consumer Protection

Background:

The Office of the Insurance Commissioner (OIC) is responsible for the regulation of the insurance industry in Washington. The OIC is authorized to regulate both the underwriting and rate-setting practices of the companies doing business in this state. In addition, the OIC is given broad regulatory authority to prevent insurance practices that are either unfair, deceptive, or discriminatory. There is no explicit regulation of the underwriting practices of insurers with respect to claims stemming from arson or malicious mischief.

Summary:

"Underwriting action" is defined to include when an insurer:

- cancels or non-renews an existing policy; or
- changes the terms or benefits of a policy.

The protections provided by the act apply to insurance policies owned by:

- health care facilities;
- health care providers; and
- religious organizations.

Insurers are prohibited from taking an underwriting action against the specified insureds as the result of a property insurance claim stemming from the crime of arson or malicious mischief. The prohibition applies to insurance claims made within five years of the underwriting action. An insurer may take an underwriting action due to other factors. The insured is required to file a report with a law enforcement agency that contains facts sufficient to put the insurer on notice that the loss was the result of arson or malicious mischief. The law enforcement agency, in turn, must make a determination that an insured is the victim of a crime in order for the insured to be subject to the protections afforded by the act. The insured must cooperate with any investigation by law enforcement authorities and insurance investigators.

An insurer that takes an underwriting action against an insured who has filed a claim related to arson or malicious mischief during the preceding five-year period must report the action to the OIC.

Votes on Final Passage:

House	71	27	
Senate	45	3	(Senate amended)
House			(House refused to concur)
Senate			(Senate recessed)
Senate	45	4	

Effective: June 7, 2006