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HOUSE BILL 3181

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State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Tom, O'Brien, Roach, Ericks, Serben and Newhouse

Read first time 01/24/2006.      Referred to Committee on Financial Institutions & Insurance.

1            AN ACT Relating to automobile claims settlements; and adding a new  
2 section to chapter 48.22 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 48.22 RCW  
5 to read as follows:

6            (1)(a) An insurer authorized to write automobile liability  
7 insurance policies may offer an automobile liability insurance policy  
8 that includes cost-savings claims settlement features if the insurer  
9 allows the insured the choice of:

10            (i) A policy that includes cost-savings claims settlement features;  
11 and

12            (ii) A policy that offers comprehensive settlement features.

13            (b) Examples of cost-savings features include but are not limited  
14 to:

15            (i) Replacement parts that are of like kind and quality as the  
16 original equipment manufacturer parts; and

17            (ii) Insurer designation of the repair shop for the insured's  
18 automobile.

1 (c) A policy that includes comprehensive settlement benefits must  
2 include:

3 (i) Replacement parts that are original equipment manufacturer  
4 parts; and

5 (ii) The insured's choice of repair shops.

6 (2) If an insurer offers the policy that includes the cost-savings  
7 claims settlement features, the premium must be reduced to reflect the  
8 reduction in possible settlement expenses.

9 (3) An insurer that offers a policy that includes cost-savings  
10 claims settlement features and a policy that includes comprehensive  
11 settlement features must clearly disclose the difference in claims  
12 settlement practices. An insured must proactively select the policy  
13 that includes cost-savings claims settlement features.

14 (4) For the purposes of this section, parts are of like kind and  
15 quality as the original equipment manufacturer parts if they are  
16 certified as equal or better quality in terms of safety, fit, and  
17 performance as the original equipment manufacturer parts by an  
18 independent, third-party organization that certifies the quality of  
19 automotive parts.

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