
HOUSE BILL 1113

State of Washington 60th Legislature 2007 Regular Session

By Representatives Kirby, Williams, McDonald, Hasegawa, Ormsby,
Morrell, Moeller and Wallace

Read first time 01/10/2007. Referred to Committee on Insurance,
Financial Service & Consumer Protection.

1 AN ACT Relating to prohibiting insurers from having a financial
2 interest in automotive repair facilities; and adding a new section to
3 chapter 48.05 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.05 RCW
6 to read as follows:

7 (1) The definitions in this subsection apply throughout this
8 section unless the context clearly requires otherwise.

9 (a) "Automotive repair facility" has the same meaning as in RCW
10 46.71.011.

11 (b) "Insuring entity" means an insurer, including a fraternal
12 mutual insurer, that is licensed to write casualty insurance in this
13 state.

14 (c) "Ownership interest" means the right to control the affairs of
15 a business, or the right to share in the profits of a business, and
16 includes a loan to the business when the interest on the loan is based
17 upon the income of the business or the loan carries more than a
18 commercially reasonable rate of interest.

1 (2) An insuring entity may not have any ownership interest in an
2 automotive repair facility. An insuring entity that has an ownership
3 interest in an automotive repair facility shall fully divest itself of
4 ownership interest by July 1, 2008.

5 (3) The commissioner shall enforce this section.

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