

SB 5730 - S AMD 171

By Senators Benton, Rockefeller

ADOPTED 03/04/2011

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

3 NEW SECTION. **Sec. 1.** The legislature finds that among the choices
4 of automobile insurance policies that are available to drivers in
5 this state should be policies whose premiums are priced based upon
6 the demonstration of safe driving behavior. Having such usage-based
7 policies available will provide people an opportunity to save money
8 in the costs of insuring their vehicles, and would provide an
9 incentive for reduced and safer driving that will reduce costs for
10 fuel and vehicle maintenance, reduce accidents, and decrease
11 driving-related pollution and congestion. Therefore, it is the
12 purpose of this legislation to encourage the offering of these
13 policies in Washington by eliminate existing regulatory barriers to
14 offering usage-based automobile insurance policies, expressly
15 authorizing the insurance commissioner to approve the offering of
16 such policies, ensuring the privacy of drivers is protected, and
17 allowing trade secret protection for proprietary usage-based
18 insurance models.

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20 **Sec. 2.** RCW 48.19.040 and 1994 c 131 s 8 are each amended to read
21 as follows:

22 (1) Every insurer or rating organization shall, before using,
23 file with the commissioner every classifications manual, manual of
24 rules and rates, rating plan, rating schedule, minimum rate, class
25 rate, and rating rule, and every modification of any of the
26 foregoing which it proposes. The insurer need not so file any rate
27 on individually rated risks as described in subdivision (1) of RCW

1 48.19.030; except that any such specific rate made by a rating
2 organization shall be filed.

3 (2) Every such filing shall indicate the type and extent of the
4 coverage contemplated and must be accompanied by sufficient
5 information to permit the commissioner to determine whether it meets
6 the requirements of this chapter. An insurer or rating organization
7 shall offer in support of any filing:

8 (a) The experience or judgment of the insurer or rating
9 organization making the filing;

10 (b) An exhibit detailing the major elements of operating expense
11 for the types of insurance affected by the filing;

12 (c) An explanation of how investment income has been taken into
13 account in the proposed rates; and

14 (d) Any other information which the insurer or rating
15 organization deems relevant.

16 (3) If an insurer has insufficient loss experience to support
17 its proposed rates, it may submit loss experience for similar
18 exposures of other insurers or of a rating organization.

19 (4) Every such filing shall state its proposed effective date.

20 (5)(a) A filing made pursuant to this chapter shall be exempt
21 from the provisions of RCW 48.02.120(3). However, the filing and
22 all supporting information accompanying it shall be open to public
23 inspection only after the filing becomes effective unless such
24 information is specifically exempt from public inspection.

25 (b) Information associated with an auto insurance filing for a usage
26 or mileage- based insurance product that constitutes a trade secret
27 as defined in RCW 19.108.010 is exempt from public inspection.

28 (6) Where a filing is required no insurer shall make or issue an
29 insurance contract or policy except in accordance with its filing
30 then in effect, except as is provided by RCW 48.19.090.

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1 Renumber the remaining sections consecutively and correct any
2 internal references accordingly.

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7 On page 1, line 1 of the title, strike all material through line 3,
8 and insert "An act relating to usage-based automobile insurance and
9 exempting certain usage-based insurance information from public
10 inspection; adding amending RCW 48.19.040; and adding creating a new
11 section."

EFFECT:

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