
HOUSE BILL 2448

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Fey, Orcutt, and Ryu; by request of State Treasurer

Read first time 01/17/14. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to transferring the insurance and financial
2 responsibility program; and amending RCW 46.29.090, 46.29.260,
3 46.29.390, 46.29.490, 46.29.550, 46.29.560, 46.29.580, and 46.29.600.

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

5 **Sec. 1.** RCW 46.29.090 and 1980 c 117 s 3 are each amended to read
6 as follows:

7 (1) No policy or bond is effective under RCW 46.29.080 unless
8 issued by an insurance company or surety company authorized to do
9 business in this state, except as provided in subsection (2) of this
10 section, nor unless such policy or bond is subject, if the accident has
11 resulted in bodily injury or death, to a limit, exclusive of interest
12 and costs, of not less than twenty-five thousand dollars because of
13 bodily injury to or death of one person in any one accident and,
14 subject to said limit for one person, to a limit of not less than fifty
15 thousand dollars because of bodily injury to or death of two or more
16 persons in any one accident, and if the accident has resulted in injury
17 to, or destruction of, property to a limit of not less than (~~ten~~)
18 fifteen thousand dollars because of injury to or destruction of
19 property of others in any one accident.

1 (2) No policy or bond is effective under RCW 46.29.080 with respect
2 to any vehicle which was not registered in this state or was a vehicle
3 which was registered elsewhere than in this state at the effective date
4 of the policy or bond or the most recent renewal thereof, unless the
5 insurance company or surety company issuing such policy or bond is
6 authorized to do business in this state, or if said company is not
7 authorized to do business in this state, unless it executes a power of
8 attorney authorizing the director of licensing to accept service on its
9 behalf of notice or process in any action upon such policy or bond
10 arising out of such accident.

11 (3) The department may rely upon the accuracy of the information in
12 a required report of an accident as to the existence of insurance or a
13 bond unless and until the department has reason to believe that the
14 information is erroneous.

15 **Sec. 2.** RCW 46.29.260 and 1980 c 117 s 4 are each amended to read
16 as follows:

17 The term "proof of financial responsibility for the future" as used
18 in this chapter means: Proof of ability to respond in damages for
19 liability, on account of accidents occurring subsequent to the
20 effective date of said proof, arising out of the ownership,
21 maintenance, or use of a vehicle of a type subject to registration
22 under the laws of this state, in the amount of twenty-five thousand
23 dollars because of bodily injury to or death of one person in any one
24 accident, and, subject to said limit for one person, in the amount of
25 fifty thousand dollars because of bodily injury to or death of two or
26 more persons in any one accident, and in the amount of (~~ten~~) fifteen
27 thousand dollars because of injury to or destruction of property of
28 others in any one accident. Wherever used in this chapter the terms
29 "proof of financial responsibility" or "proof" shall be synonymous with
30 the term "proof of financial responsibility for the future."

31 **Sec. 3.** RCW 46.29.390 and 1980 c 117 s 5 are each amended to read
32 as follows:

33 (1) Judgments herein referred to are, for the purpose of this
34 chapter only, deemed satisfied:

35 (a) When twenty-five thousand dollars has been credited upon any

1 judgment or judgments rendered in excess of that amount because of
2 bodily injury to or death of one person as the result of any one
3 accident; or

4 (b) When, subject to such limit of twenty-five thousand dollars
5 because of bodily injury to or death of one person, the sum of fifty
6 thousand dollars has been credited upon any judgment or judgments
7 rendered in excess of that amount because of bodily injury to or death
8 of two or more persons as the result of any one accident; or

9 (c) When (~~ten~~) fifteen thousand dollars has been credited upon
10 any judgment or judgments rendered in excess of that amount because of
11 injury to or destruction of property of others as a result of any one
12 accident.

13 (2) Payments made in settlements of any claims because of bodily
14 injury, death, or property damage arising from such accident shall be
15 credited in reduction of the amounts provided for in this section.

16 **Sec. 4.** RCW 46.29.490 and 2010 c 8 s 9043 are each amended to read
17 as follows:

18 (1) Certification. A "motor vehicle liability policy" as said term
19 is used in this chapter means an "owner's policy" or an "operator's
20 policy" of liability insurance, certified as provided in RCW 46.29.460
21 or 46.29.470 as proof of financial responsibility for the future, and
22 issued, except as otherwise provided in RCW 46.29.470, by an insurance
23 carrier duly authorized to transact business in this state, to or for
24 the benefit of the person named in the policy as insured.

25 (2) Owner's policy. Such owner's policy of liability insurance:

26 (a) Shall designate by explicit description or by appropriate
27 reference all vehicles with respect to which coverage is to be granted
28 by the policy; and

29 (b) Shall insure the person named therein and any other person, as
30 insured, using any such vehicle or vehicles with the express or implied
31 permission of such named insured, against loss from the liability
32 imposed by law for damages arising out of the ownership, maintenance,
33 or use of such vehicle or vehicles within the United States of America
34 or the Dominion of Canada, subject to limits exclusive of interest and
35 costs, with respect to each such vehicle as follows: Twenty-five
36 thousand dollars because of bodily injury to or death of one person in
37 any one accident and, subject to said limit for one person, fifty

1 thousand dollars because of bodily injury to or death of two or more
2 persons in any one accident, and (~~ten~~) fifteen thousand dollars
3 because of injury to or destruction of property of others in any one
4 accident.

5 (3) Operator's policy. Such operator's policy of liability
6 insurance shall insure the person named as insured therein against loss
7 from the liability imposed upon him or her by law for damages arising
8 out of the use by him or her of any motor vehicle not owned by him or
9 her, within the same territorial limits and subject to the same limits
10 of liability as are set forth above with respect to an owner's policy
11 of liability insurance.

12 (4) Required statements in policies. Such motor vehicle liability
13 policy shall state the name and address of the named insured, the
14 coverage afforded by the policy, the premium charged therefor, the
15 policy period, and the limits of liability, and shall contain an
16 agreement or be endorsed that insurance is provided under the policy in
17 accordance with the coverage defined in this chapter as respects bodily
18 injury and death or property damage, or both, and is subject to all the
19 provisions of this chapter.

20 (5) Policy need not insure workers' compensation, etc. Such motor
21 vehicle liability policy need not insure any liability under any
22 workers' compensation law nor any liability on account of bodily injury
23 or death of an employee of the insured while engaged in the employment,
24 other than domestic, of the insured, or while engaged in the operation,
25 maintenance, or repair of any such vehicle nor any liability for damage
26 to property owned by, rented to, in charge of, or transported by the
27 insured.

28 (6) Provisions incorporated in policy. Every motor vehicle
29 liability policy is subject to the following provisions which need not
30 be contained therein:

31 (a) The liability of the insurance carrier with respect to the
32 insurance required by this chapter becomes absolute whenever injury or
33 damage covered by said motor vehicle liability policy occurs; said
34 policy may not be canceled or annulled as to such liability by any
35 agreement between the insurance carrier and the insured after the
36 occurrence of the injury or damage; no statement made by the insured or
37 on his or her behalf and no violation of said policy defeats or voids
38 said policy.

1 (b) The satisfaction by the insured of a judgment for such injury
2 or damage shall not be a condition precedent to the right or duty of
3 the insurance carrier to make payment on account of such injury or
4 damage.

5 (c) The insurance carrier may settle any claim covered by the
6 policy, and if such settlement is made in good faith, the amount
7 thereof is deductible from the limits of liability specified in
8 subsection (2)(b) of this section.

9 (d) The policy, the written application therefor, if any, and any
10 rider or endorsement which does not conflict with the provisions of
11 this chapter constitutes the entire contract between the parties.

12 (7) Excess or additional coverage. Any policy which grants the
13 coverage required for a motor vehicle liability policy may also grant
14 any lawful coverage in excess of or in addition to the coverage
15 specified for a motor vehicle liability policy, and such excess or
16 additional coverage is not subject to the provisions of this chapter.
17 With respect to a policy which grants such excess or additional
18 coverage the term "motor vehicle liability policy" applies only to that
19 part of the coverage which is required by this section.

20 (8) Reimbursement provision permitted. Any motor vehicle liability
21 policy may provide that the insured shall reimburse the insurance
22 carrier for any payment the insurance carrier would not have been
23 obligated to make under the terms of the policy except for the
24 provisions of this chapter.

25 (9) Proration of insurance permitted. Any motor vehicle liability
26 policy may provide for the prorating of the insurance thereunder with
27 other valid and collectible insurance.

28 (10) Multiple policies. The requirements for a motor vehicle
29 liability policy may be fulfilled by the policies of one or more
30 insurance carrier which policies together meet such requirements.

31 (11) Binders. Any binder issued pending the issuance of a motor
32 vehicle liability policy is deemed to fulfill the requirements for such
33 a policy.

34 **Sec. 5.** RCW 46.29.550 and 2010 c 8 s 9046 are each amended to read
35 as follows:

36 Proof of financial responsibility may be evidenced by the
37 certificate of the (~~state treasurer~~) department that the person named

1 therein has deposited with him or her sixty-five thousand dollars in
2 cash, or securities such as may legally be purchased by savings banks
3 or for trust funds of a market value of sixty-five thousand dollars.
4 The (~~state treasurer~~) department shall not accept any such deposit
5 and issue a certificate therefor and the department shall not accept
6 such certificate unless accompanied by evidence that there are no
7 unsatisfied judgments of any character against the depositor in the
8 county where the depositor resides.

9 **Sec. 6.** RCW 46.29.560 and 2010 c 8 s 9047 are each amended to read
10 as follows:

11 Such deposit shall be held by the (~~state treasurer~~) department to
12 satisfy, in accordance with the provisions of this chapter, any
13 execution on a judgment issued against such person making the deposit,
14 for damages, including damages for care and loss of services, because
15 of bodily injury to or death of any person, or for damages because of
16 injury to or destruction of property, including the loss of use
17 thereof, resulting from the ownership, maintenance, use, or operation
18 of a vehicle of a type subject to registration under the laws of this
19 state after such deposit was made. Money or securities so deposited
20 shall not be subject to attachment or execution unless such attachment
21 or execution shall arise out of a suit for damages as aforesaid. Any
22 interest or other income accruing to such money or securities, so
23 deposited, shall be paid (~~by the state treasurer~~) to the depositor,
24 or his or her order, as received.

25 **Sec. 7.** RCW 46.29.580 and 1963 c 169 s 58 are each amended to read
26 as follows:

27 The department shall consent to the cancellation of any bond or
28 certificate of insurance or the department shall direct and (~~the state~~
29 ~~treasurer shall~~) return any money or securities to the person entitled
30 thereto upon the substitution and acceptance of other adequate proof of
31 financial responsibility pursuant to this chapter.

32 **Sec. 8.** RCW 46.29.600 and 2010 c 8 s 9049 are each amended to read
33 as follows:

34 (1) The department shall upon request consent to the immediate
35 cancellation of any bond or certificate of insurance, or the department

1 shall direct and (~~the state treasurer shall~~) return to the person
2 entitled thereto any money or securities deposited pursuant to this
3 chapter as proof of financial responsibility, or the department shall
4 waive the requirement of filing proof, in any of the following events:

5 (a) At any time after three years from the date such proof was
6 required when, during the three-year period preceding the request, the
7 department has not received record of a conviction, forfeiture of bail,
8 or finding that a traffic infraction has been committed which would
9 require or permit the suspension or revocation of the license of the
10 person by or for whom such proof was furnished; or

11 (b) In the event of the death of the person on whose behalf such
12 proof was filed or the permanent incapacity of such person to operate
13 a motor vehicle; or

14 (c) In the event the person who has given proof surrenders his or
15 her license to the department.

16 (2) Provided, however, that the department shall not consent to the
17 cancellation of any bond or the return of any money or securities in
18 the event any action for damages upon a liability covered by such proof
19 is then pending or any judgment upon any such liability is then
20 unsatisfied, or in the event the person who has filed such bond or
21 deposited such money or securities has within one year immediately
22 preceding such request been involved as a driver or owner in any motor
23 vehicle accident resulting in injury or damage to the person or
24 property of others. An affidavit of the applicant as to the
25 nonexistence of such facts, or that he or she has been released from
26 all of his or her liability, or has been finally adjudicated not to be
27 liable, for such injury or damage, shall be sufficient evidence thereof
28 in the absence of evidence to the contrary in the records of the
29 department.

30 (3) Whenever any person whose proof has been canceled or returned
31 under subsection (1)(c) of this section applies for a license within a
32 period of three years from the date proof was originally required, any
33 such application shall be refused unless the applicant shall
34 reestablish such proof for the remainder of such three-year period.

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