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HOUSE BILL 2713

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State of Washington

63rd Legislature

2014 Regular Session

By Representatives Kirby and Ryu

Read first time 01/28/14. Referred to Committee on Business & Financial Services.

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

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 that the person named therein has

1 deposited with him or her sixty-five thousand dollars in cash, or  
2 securities such as may legally be purchased by savings banks or for  
3 trust funds of a market value of sixty-five thousand dollars. The  
4 state treasurer shall not accept any such deposit and issue a  
5 certificate therefor and the department shall not accept such  
6 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.

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