

SENATE BILL REPORT

SB 6455

As of January 30, 2018

Title: An act relating to minimum liability insurance coverage for certain towing expenses.

Brief Description: Requiring minimum liability insurance coverage for certain towing expenses.

Sponsors: Senators Fortunato and Warnick.

Brief History:

Committee Activity: Financial Institutions & Insurance: 1/25/18.

Brief Summary of Bill

- Adds a requirement under a motor vehicle liability policy for a minimum of \$5,000 in coverage for towing, recovery, and storage.

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Staff: Jeff Olsen (786-7428)

Background: No person may operate a motor vehicle required to be registered in the state unless the person is insured under a motor vehicle liability policy, self-insured, covered by a certificate of deposit, or covered by a liability bond. A motor vehicle liability policy or bond must be issued by an insurance or surety company authorized to do business in the state. The policy or bond must provide a minimum coverage level of \$25,000 for bodily injury or death of a single person in any one accident, \$50,000 for bodily injury or death of two or more people in any one accident, and \$10,000 for injury to or destruction of property of others in any one accident.

Summary of Bill: A motor vehicle liability policy must include a minimum of \$5,000 in coverage for towing, recovery, and storage.

Appropriation: None.

Fiscal Note: Not requested.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Tow truck drivers that respond to accidents on highways are being stuck with uninsured automobiles and are not being compensated for the towing or storage of the car. Registered tow truck drivers are called by law enforcement and must respond to the call. If an owner has only minimum liability insurance, the cost of the tow is not covered. Frequently tow truck drivers that respond to these calls are not being paid by the owners.

CON: Liability insurance is designed to protect drivers from damage caused by another driver, it is not designed to provide a benefit to the person required to purchase the insurance. Towing is already available on an insurance policy. The financial responsibility insurance is mandatory to protect others and is required by law. Changes to the minimum liability insurance law to accommodate this change would be expensive.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor; Peter Lukevich, Towing and Recovery Association of Washington; Chester Baldwin, Towing and Recovery Association of Washington.

CON: Mel Sorensen, Property Casualty Insurers Association of America, American Family Insurance, Allstate; Jean Leonard, Washington Insurers, State Farm, National Association of Mutual Insurance Companies; Arthur West citizen.

Persons Signed In To Testify But Not Testifying: No one.