

**SSB 5720** - H COMM AMD

By Committee on Consumer Protection & Business

**ADOPTED AS AMENDED 04/07/2023**

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

3 **"Sec. 1.** RCW 48.18.558 and 2018 c 239 s 2 are each amended to  
4 read as follows:

5 (1) With the prior approval of the commissioner, a property  
6 insurer may include the following either goods or services, or both,  
7 intended to reduce either the probability of loss, or the extent of  
8 loss, or both, from a covered event as part of a policy of property  
9 insurance (~~(, except commercial property insurance)~~):

- 10 (a) Goods, including a water monitor;
- 11 (b) Foundation strapping to mitigate losses due to earthquake;
- 12 (c) Ongoing services, including home safety monitoring or brush  
13 clearing to mitigate losses due to wildfire; and
- 14 (d) Other either goods or services, or both, as the commissioner  
15 may identify by rule.

16 (2) Any goods provided are owned by the insured, even if the  
17 insurance is subsequently canceled.

18 (3) The value of goods and services to be provided is limited to  
19 (~~(one thousand five hundred dollars)~~) \$7,500 or ten percent of the  
20 annual policy premium, whichever is greater, in value in the  
21 aggregate in any (~~(twelve-month)~~) 12-month period.

22 (4) In order to receive prior approval of the commissioner, and  
23 except as provided in subsection (6) of this section, the property  
24 insurer must include the following in its rate filing:

25 (a) A description of either the specific goods or services, or  
26 both, to be offered;

27 (b) A description of the method of delivering either the specific  
28 goods or services, or both, being offered; and

29 (c) The selection criteria for insureds receiving either the  
30 specific goods or services, or both, being offered.

31 (5) This section does not require the commissioner to approve any  
32 particular proposed benefit. The commissioner may disapprove any

1 proposed noninsurance benefit that the commissioner determines may  
2 tend to promote or facilitate the violation of any other section of  
3 this title. However, if the commissioner approves the inclusion of  
4 either the goods or services, or both, in a policy of property  
5 insurance(~~(, except commercial property insurance,)~~) it does not  
6 constitute a violation of RCW 48.30.140 or 48.30.150.

7 (6) (a) A property insurer may conduct a pilot program as either a  
8 risk mitigation or prevention, or both, strategy through which the  
9 insurer offers or provides risk mitigation and/or prevention goods  
10 and/or services identified in subsection (1) of this section in  
11 connection with an insurance policy covering property risks(~~(, except~~  
12 ~~commercial property insurance,)~~) in accordance with rules adopted by  
13 the commissioner.

14 (b) A property insurer offering or providing risk mitigation  
15 and/or prevention goods and/or services through a pilot program under  
16 this subsection is exempt from including information about the risk  
17 mitigation and/or prevention goods and/or services in its rate filing  
18 as is otherwise required under subsection (4) of this section and RCW  
19 48.19.530.

20 (c) A property insurer's pilot program may last no longer than  
21 two years.

22 (7) This section does not apply to disaster or emergency response  
23 activities of a property insurer.

24 (8) (a) The commissioner must provide a report to the legislature  
25 in accordance with (b) of this subsection that includes to the extent  
26 possible based on information provided to the commissioner:

27 (i) The total number of new property insurance policies that were  
28 issued with goods or services, or both, as part of the policy and  
29 authorized under this section, including the number of new property  
30 insurance policies that were commercial property insurance policies  
31 and the number that were residential property insurance policies;

32 (ii) The number of new commercial property insurance policies  
33 that were issued with goods or services, or both, as part of the  
34 policy and authorized under this section and the goods or services,  
35 or both, were valued as follows:

36 (A) Up to \$1,499;

37 (B) Between \$1,500 and \$4,999;

38 (C) Between \$5,000 and \$7,499; and

39 (D) Equal to or greater than \$7,500;

1 (iii) The number of new residential property insurance policies  
2 that were issued with goods or services, or both, as part of the  
3 policy and authorized under this section and the goods or services,  
4 or both, were valued as follows:

5 (A) Up to \$1,499;

6 (B) Between \$1,500 and \$4,999;

7 (C) Between \$5,000 and \$7,499; and

8 (D) Equal to or greater than \$7,500;

9 (iv) In providing its report, the commissioner shall rely on  
10 information currently held by the commissioner or submitted in  
11 routine filings by insurers held by the commissioner. In preparing  
12 reports under this subsection, the commissioner shall not demand  
13 additional data or information from insurers under RCW 48.02.060 or  
14 48.37.040.

15 (b) The commissioner's first report must be delivered to the  
16 legislature no later than September 1, 2024, and include the  
17 information required under this subsection (8) for new property  
18 insurance policies issued between August 1, 2023, and August 1, 2024.  
19 Thereafter, the commissioner must report the information required  
20 under this subsection (8) to the legislature by September 1st of  
21 every even-numbered year, which report must include information from  
22 new property insurance policies issued between August 1st of the  
23 preceding even-numbered year and the year the report is due.

24 **Sec. 2.** RCW 48.18.559 and 2018 c 239 s 4 are each amended to  
25 read as follows:

26 The commissioner may adopt rules as necessary to implement RCW  
27 48.18.558 and 48.19.530, including but not limited to:

28 (1) Rules requiring a notice to insureds or potential insureds  
29 regarding their ability to opt out of receiving any risk mitigation  
30 and/or prevention goods and/or services;

31 ~~(2) ((Rules increasing the value of either the goods or services,~~  
32 ~~or both, permitted under RCW 48.18.558(1));~~

33 ~~(3))~~ Rules establishing requirements for pilot programs  
34 authorized under RCW 48.18.558(6); and

35 ~~((4))~~ (3) Rules identifying which insurer disaster or emergency  
36 response activities are exempt from RCW 48.18.558 and 48.19.530 and  
37 RCW 48.30.140 and 48.30.150.

1       **Sec. 3.** RCW 48.19.530 and 2018 c 239 s 3 are each amended to  
2 read as follows:

3       (1) Except as provided in subsection (2) of this section, in  
4 addition to other information required by this chapter, a rate filing  
5 by a property insurer for a policy(~~(, except commercial property~~  
6 ~~insurance,)~~) that includes risk mitigation and/or prevention goods  
7 and/or services under RCW 48.18.558, must demonstrate that its rates  
8 account for the expected costs of the goods and services and the  
9 reduction in expected claims costs resulting from either the goods or  
10 services, or both.

11       (2) This section does not apply to:

12       (a) A property insurer offering or providing risk mitigation  
13 and/or prevention goods and/or services through a pilot program  
14 established in RCW 48.18.558(6); or

15       (b) Disaster or emergency response activities of a property  
16 insurer."

17       Correct the title.

EFFECT: Modifies the limit on the value of authorized goods and services that may be provided with a policy of property insurance.

Removes the commissioner's authority to adopt rules increasing the value of authorized goods and services.

Requires the Office of the Insurance Commissioner to report to the legislature regarding data concerning the provision of authorized goods and services with property insurance policies.

Requires the Office of the Insurance Commissioner to rely on data currently held by the Office of the Insurance Commissioner or submitted in routine filings by insurers held by the Office of the Insurance Commissioner.

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