

# SENATE BILL REPORT

## SB 5963

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As of January 29, 2024

**Title:** An act relating to insurance requirements relating to the ownership of certain deadly weapons.

**Brief Description:** Concerning insurance requirements relating to the ownership of certain deadly weapons.

**Sponsors:** Senators Kuderer, Valdez, Hunt, Lovelett, Nobles, Pedersen, Stanford, Trudeau, Wellman and Wilson, C..

**Brief History:**

**Committee Activity:** Law & Justice: 1/29/24.

**Brief Summary of Bill**

- Requires individuals who own a firearm to keep and maintain a residential dwelling insurance policy that covers losses or damages resulting from the accidental or unintentional discharge of the firearm.
- Requires surplus line insurance brokers and insurance producers to inform customers of the requirement to keep and maintain an insurance policy that covers losses or damages resulting from the accidental or unintentional discharge of the firearm.

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### SENATE COMMITTEE ON LAW & JUSTICE

**Staff:** Joe McKittrick (786-7287)

**Background:** Homeowners and Renters Insurance. Homeowners insurance is a financial protection policy that pays a lump sum if the policy holder's house is damaged or destroyed by fire, weather, theft, or any other covered event. While homeowners insurance is not required by law, mortgage lenders will require it if the home is being financed. A typical

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homeowners insurance policy will include coverage for the structure as well as personal belongings. The policy may also include liability protection for bodily injury or property damage that the insured, including family members and pets, cause to other people. Some policies also cover no-fault medical coverage if someone is injured in the policy holder's home. Homeowners insurance policies have dollar limits on the amount of liability the insurer will assume.

For renters, while a landlord's or property management company's insurance policy will cover damage to the building or the rented space, the renter's personal belongings damaged or stolen will not be covered. Renters may purchase renters insurance to cover costs of theft or damage. Most policies provide coverage for personal property and liability. Personal property coverage pays to repair or replace personal belongings if they are damaged, destroyed, or stolen, and liability insurance provides coverage against a claim or lawsuit arising from bodily injury or property damage to others caused by an accident while on the policyholder's property. As with homeowners insurance, renters insurance policies have liability limits. Some policies may also cover living expenses if the renter is unable to live in the rented space because of an insured loss.

Surplus Line Insurance. Surplus line insurance is coverage for complex risks and is usually purchased when licensed insurers in the standard market will not provide coverage because the risk is too great, the risk is unfamiliar to the provider, or the risk does not meet their guidelines. Surplus lines cover higher risks such as homes built on steep hills, extremely old homes, or rare art or antique collections. Surplus line insurance companies have more flexibility to design and price their policies and generally charge consumers higher premiums because the risk they insure is often more costly to cover.

**Summary of Bill:** All individuals who own a firearm in Washington must obtain and continually maintain a residential dwelling insurance policy that covers losses or damages resulting from the accidental or unintentional discharge of the firearm including, but not limited to, property damage and death or injury to individuals who are classified as an insured person under the policy. Individuals who own firearms must keep valid and current written evidence of this insurance coverage at any location where a firearm is stored. In the event of the unintentional discharge of a firearm, insurers are not required to defend or indemnify the insured beyond the terms or limits of their policy.

Residential dwelling policy means any personal line insurance policy that includes either property or general casualty coverage, or both, meant to provide insurance for a residence including, but not limited to, homeowner, renter, condominium, mobile home, umbrella, and excess liability policies.

Prior to the sale of a new residential dwelling or renewing a residential dwelling policy, surplus line brokers and insurance producers must ask whether any of the named or prospective insureds on the policy contract own a firearm. If the person responds affirmatively, the surplus line broker or insurance producer must inform the person of the

requirement to keep and maintain a residential dwelling policy that covers losses or damages resulting from the accidental discharge of a firearm and must ask if the firearm or firearms are stored in a locking gun safe or secured with a trigger lock or similar device that is designed to prevent the unauthorized use or discharge of the firearm.

**Appropriation:** None.

**Fiscal Note:** Requested on January 26th, 2024.

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

**Effective Date:** The bill takes effect on January 1, 2025.

**Staff Summary of Public Testimony:** PRO: While lay-abiding citizens have the right to keep and bear arms, it is beyond dispute this right carries with it an inherent risk that has a human cost and a cost to society writ large. Between 2018 and 2020 over 700 non-fatal firearm injuries occurred in Washington. Gun deaths and injuries cost Washingtonians at least 169 million dollars a year inclusive of costs related to accidental shootings. This bill does not regulate the manner or method in which individuals keep or bear their firearms. Instead, it simply says they must have liability insurance. Though some activities are riskier than others, insurance helps mediate that risk. We require insurance to drive a car because of the inherent risks. We should require the same of firearm owners. Every year, across the nation hundreds of children gain access to firearms and unintentionally injure themselves or someone else. This bill will encourage secure firearm storage. This is common sense gun legislation. This is a critical piece of the puzzle of solving gun violence, because it incentivized safe gun ownership. The risks associated with gun ownership often lead to tragic injuries and death. The majority of these injuries and deaths involve minors. This bill simply encourages safe and responsible gun ownership. The primary function of insurance is to cover the cost of unforeseen tragedies. At its core, this bill is about personal responsibility. People who own guns need to be financially responsible for the injuries those guns may cause. There are many different insurance products that would cover the accidental discharge of firearms. It is very common for homeowners policies to cover these incidents. Even in the hands of responsible firearm owners, accidents happen. This bill gives gun owners a safety net in case an accident happens and provides victims of accidents a reliable recourse.

CON: This bill will make housing more unaffordable in Washington. This would require an on-going fee, in the form of insurance, to exercise a constitutional right. This will have no impact on gun crimes because it only addresses accidental discharge. If this passes gun owners will be forced to choose between housing and keeping their firearm. Most homeowners policies are named-exclusion policies and accidental discharge are not named-exclusions in most policies in Washington. This bill would require third parties to define safe storage of firearms. This fails to provide any protection to our community. This bill discriminates against single mothers by making it nearly impossible for them to comply

with the bills requirements while also being able to protect their families. Reporting of firearm ownership to insurance companies is akin to a firearm registry. The insurance products considered in this bill do not exist. Citizens will be priced out of gun ownership because of the increased cost of purchasing insurance. This bill discriminates against gun owners. There is no major insurance provider that offers specific gun liability insurance. Impoverished people would suffer the most under this bill due to the increased costs associated with protecting themselves. This bill is unnecessary. Firearms account for less than one percent of preventable accidents. This only creates a barrier for low-income individuals in exercising their constitutional right to own a firearm. This is akin to requiring an identification card to vote. The bill is silent on penalties if someone does not comply which could lead to someone losing their home. State law recognizes firearms are an appropriate tool for self-defense, and this bill limits access to firearms for that purpose. The costs of increased insurance premiums will pad the profits of insurance companies and target low-income gun owners. This bill also results in a defacto gun registry.

**Persons Testifying:** PRO: Senator Patty Kuderer, Prime Sponsor; Bryon Welch, Office of the Insurance Commissioner; Ryan Moinazad; Craig Reynolds; Jane Weiss; Rebecca Elbaum, Moms Demand Action; Ed Humble; Ann Madsen; Jeannie Shu; Diane Studley.

CON: Julie Barrett, Conservative Ladies of Washington; eric pratt; Aoibheann Cline, NRA; Michael McKinley; Daniel Mitchell, Sporting Systems Vancouver; Jeremy Ball; Teo Morca; Jonathan Nelson; Amanda McKinney, Yakima County; Ralph Rieger.

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