
HOUSE BILL 2322

State of Washington

65th Legislature

2018 Regular Session

By Representatives Stanford, Kirby, and Vick; by request of Insurance Commissioner

Prefiled 12/22/17.

1 AN ACT Relating to risk mitigation in property insurance; adding
2 a new section to chapter 48.18 RCW; adding a new section to chapter
3 48.19 RCW; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that property
6 insurers engage in supporting insureds through disaster response
7 activities, such as providing fire retardants to homes in a wildfire
8 area or sending crews to combat wildfires to protect insureds' homes.
9 In addition to these efforts, the legislature finds that allowing
10 property insurers to assist their insureds with either risk
11 mitigation goods or services, or both, could help prevent, or reduce
12 the severity of claims and losses.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 48.18
14 RCW to read as follows:

15 (1) With the prior approval of the commissioner, a personal
16 property insurer may include the following goods and services
17 intended to reduce either the probability of loss, or the extent of
18 loss, or both, from a covered event as part of a policy of personal
19 property insurance:

20 (a) Goods, including a water monitor;

1 (b) Foundation strapping to mitigate losses due to earthquake;

2 (c) Ongoing services, including home safety monitoring or brush
3 clearing to mitigate losses due to wildfire. The insureds must
4 affirmatively sign up for the service and it must be made clear that
5 the insureds can stop the services at any time without being locked
6 into an ongoing contract for which the insured makes payments; and

7 (d) Such other goods and services as the commissioner may
8 identify by rule.

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

11 (3) The value of goods and services to be provided is limited to
12 five hundred dollars in value in the aggregate in any twelve-month
13 period.

14 (4) In order to receive prior approval of the commissioner, the
15 personal property insurer must include the following in its rate
16 filing:

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

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

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

23 (5) This section does not require the commissioner to approve any
24 particular proposed benefit. The commissioner may disapprove any
25 proposed noninsurance benefit that the commissioner determines may
26 tend to promote or facilitate the violation of any other section of
27 this title. However, if the commissioner approves the inclusion of
28 such goods and services in a policy of property insurance, it does
29 not constitute a violation of RCW 48.30.140 or 48.30.150.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.19
31 RCW to read as follows:

32 In addition to other information required by this chapter, a rate
33 filing by a personal property insurer for a policy that includes risk
34 mitigation goods and services under section 2 of this act, must
35 demonstrate that its rates account for the expected costs of the
36 goods and services and the reduction in expected claims costs
37 resulting from the goods and services.

1 NEW SECTION. **Sec. 4.** The commissioner may adopt rules as
2 necessary to implement sections 2 and 3 of this act.

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