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**SUBSTITUTE SENATE BILL 5331**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senate Business, Financial Services & Trade (originally sponsored by Senators Cortes, Frame, Hasegawa, Kauffman, Lovelett, Lovick, Nobles, Orwall, Stanford, Trudeau, and C. Wilson; by request of Insurance Commissioner)

1 AN ACT Relating to strengthening consumer protection through  
2 increased insurer accountability for violations of the insurance  
3 code; and amending RCW 48.02.080 and 48.05.185.

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

5 **Sec. 1.** RCW 48.02.080 and 2009 c 549 s 7005 are each amended to  
6 read as follows:

7 (1) The commissioner may prosecute an action in any court of  
8 competent jurisdiction to enforce any order made by him or her  
9 pursuant to any provision of this code.

10 (2) If the commissioner has cause to believe that any person has  
11 violated any penal provision of this code or of other laws relating  
12 to insurance he or she shall certify the facts of the violation to  
13 the public prosecutor of the jurisdiction in which the offense was  
14 committed.

15 (3) If the commissioner has cause to believe that any person is  
16 violating or is about to violate any provision of this code or any  
17 regulation or order of the commissioner, he or she may:

18 (a) (~~issue~~) Issue a cease and desist order; (~~and/or~~)

19 (b) (~~bring~~) Bring an action in any court of competent  
20 jurisdiction to enjoin the person from continuing the violation or  
21 doing any action in furtherance thereof;

1 (c) Order the payment of restitution as provided in subsection  
2 (5) of this section; or

3 (d) Any combination of (a), (b), and (c) of this subsection.

4 (4) The attorney general and the several prosecuting attorneys  
5 throughout the state shall prosecute or defend all proceedings  
6 brought pursuant to the provisions of this code when requested by the  
7 commissioner.

8 (5) (a) The commissioner may order payment of restitution after a  
9 hearing under Title 34 RCW or with consent of the person owing the  
10 obligation. Restitution shall include only demonstrated economic  
11 damages due to another person, excluding a provider. Restitution  
12 shall be paid with eight percent simple interest from the date the  
13 obligation arose. Any restitution ordered by the commissioner must be  
14 paid to the person to whom it is due within 30 days of the date of  
15 the order.

16 (b) For purposes of this subsection, the following definitions  
17 apply:

18 (i) "Date the obligation arose" means:

19 (A) For obligations related to the payment of an insurance claim,  
20 30 days from the date the insurer received all information necessary  
21 to determine liability and payment under the policy, unless such  
22 investigation cannot reasonably be completed within 30 days;

23 (B) For obligations related to the payment of premium, the date  
24 the premium was charged to the person entitled to restitution; and

25 (C) For all other obligations, the date the obligation was  
26 required to be performed under statute, rule, or contract, or the  
27 date the obligated person was first provided written notice of  
28 noncompliance; and

29 (ii) "Provider" means any entity providing a service to the  
30 person entitled to restitution under this section including, but not  
31 limited to, a health care provider, a restoration or mitigation  
32 contractor, or an auto body repair shop.

33 (c) Nothing in this subsection shall interfere with RCW  
34 48.49.040.

35 **Sec. 2.** RCW 48.05.185 and 1980 c 102 s 1 are each amended to  
36 read as follows:

37 After hearing or with the consent of the insurer and in addition  
38 to or in lieu of the suspension, revocation, or refusal to renew any  
39 certificate of authority the commissioner may levy a fine upon the

1 insurer in an amount not less than (~~two hundred fifty dollars~~) \$250  
2 and not more than (~~ten thousand dollars~~) \$10,000 per violation. The  
3 order levying such fine shall specify the period within which the  
4 fine shall be fully paid and which period shall not be less than  
5 (~~fifteen~~) 15 nor more than (~~thirty~~) 30 days from the date of such  
6 order. Upon failure to pay any such fine when due the commissioner  
7 shall revoke the certificate of authority of the insurer if not  
8 already revoked, and the fine shall be recovered in a civil action  
9 brought (~~in~~) on behalf of the commissioner by the attorney general.  
10 Any fine so collected shall be paid by the commissioner to the state  
11 treasurer for the account of the general fund.

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