

SHB 1257 - S COMM AMD

By Committee on Financial Institutions, Housing & Consumer
Protection

ADOPTED 03/02/2006

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

3 "Sec. 1. RCW 48.22.030 and 2004 c 90 s 1 are each amended to read
4 as follows:

5 (1) "Underinsured motor vehicle" means a motor vehicle with respect
6 to the ownership, maintenance, or use of which either no bodily injury
7 or property damage liability bond or insurance policy applies at the
8 time of an accident, or with respect to which the sum of the limits of
9 liability under all bodily injury or property damage liability bonds
10 and insurance policies applicable to a covered person after an accident
11 is less than the applicable damages which the covered person is legally
12 entitled to recover.

13 (2) No new policy or renewal of an existing policy insuring against
14 loss resulting from liability imposed by law for bodily injury, death,
15 or property damage, suffered by any person arising out of the
16 ownership, maintenance, or use of a motor vehicle shall be issued with
17 respect to any motor vehicle registered or principally garaged in this
18 state unless coverage is provided therein or supplemental thereto for
19 the protection of persons insured thereunder who are legally entitled
20 to recover damages from owners or operators of underinsured motor
21 vehicles, hit-and-run motor vehicles, and phantom vehicles because of
22 bodily injury, death, or property damage, resulting therefrom, except
23 while operating or occupying a motorcycle or motor-driven cycle, and
24 except while operating or occupying a motor vehicle owned or available
25 for the regular use by the named insured or any family member, and
26 which is not insured under the liability coverage of the policy. The
27 coverage required to be offered under this chapter is not applicable to
28 general liability policies, commonly known as umbrella policies, or
29 other policies which apply only as excess to the insurance directly
30 applicable to the vehicle insured.

1 (3) Except as to property damage, coverage required under
2 subsection (2) of this section shall be in the same amount as the
3 insured's third party liability coverage unless the insured rejects all
4 or part of the coverage as provided in subsection (4) of this section.
5 Coverage for property damage need only be issued in conjunction with
6 coverage for bodily injury or death. Property damage coverage required
7 under subsection (2) of this section shall mean physical damage to the
8 insured motor vehicle unless the policy specifically provides coverage
9 for the contents thereof or other forms of property damage.

10 (4) A named insured or spouse may reject, in writing, underinsured
11 coverage for bodily injury or death, or property damage, and the
12 requirements of subsections (2) and (3) of this section shall not
13 apply. If a named insured or spouse has rejected underinsured
14 coverage, such coverage shall not be included in any supplemental or
15 renewal policy unless a named insured or spouse subsequently requests
16 such coverage in writing. The requirement of a written rejection under
17 this subsection shall apply only to the original issuance of policies
18 issued after July 24, 1983, and not to any renewal or replacement
19 policy.

20 (5) The limit of liability under the policy coverage may be defined
21 as the maximum limits of liability for all damages resulting from any
22 one accident regardless of the number of covered persons, claims made,
23 or vehicles or premiums shown on the policy, or premiums paid, or
24 vehicles involved in an accident.

25 (6) The policy may provide that if an injured person has other
26 similar insurance available to him under other policies, the total
27 limits of liability of all coverages shall not exceed the higher of the
28 applicable limits of the respective coverages.

29 (7)(a) The policy may provide for a deductible of not more than
30 three hundred dollars for payment for property damage when the damage
31 is caused by a hit-and-run driver or a phantom vehicle.

32 (b) In all other cases of underinsured property damage coverage,
33 the policy may provide for a deductible of not more than one hundred
34 dollars.

35 (8) For the purposes of this chapter, a "phantom vehicle" shall
36 mean a motor vehicle which causes bodily injury, death, or property
37 damage to an insured and has no physical contact with the insured or

1 the vehicle which the insured is occupying at the time of the accident
2 if:

3 (a) The facts of the accident can be corroborated by competent
4 evidence other than the testimony of the insured or any person having
5 an underinsured motorist claim resulting from the accident; and

6 (b) The accident has been reported to the appropriate law
7 enforcement agency within seventy-two hours of the accident.

8 (9) An insurer who elects to write motorcycle or motor-driven cycle
9 insurance in this state must provide information to prospective
10 insureds about the coverage.

11 (10) An insurer who elects to write motorcycle or motor-driven
12 cycle insurance in this state must provide an opportunity for named
13 insureds, who have purchased liability coverage for a motorcycle or
14 motor-driven cycle, to reject underinsured coverage for that motorcycle
15 or motor-driven cycle in writing."

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16 On page 1, line 2 of the title, after "coverage;" strike the
17 remainder of the title and insert "and amending RCW 48.22.030."

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