SOHA
&
LANG

August 21, 2009 Coverage Alert

NOTICE RE CHANGES TO WASHINGTON UNFAIR CLAIMS SETTLEMENT PRACTICES REGULATIONS

Changes are now in effect to the Washington unfair claims settlement practices regulations (WAC 284-30-300 to 284-30-400). Most changes are non-substantive and intended to make provisions clearer. For example, a number of definitions have been added and the term "insured" is replaced by the term "first-party claimant" in several places. The Insurance Commissioner's office specifically states that the revisions "are not intended and do not create any new unfair settlement or trade practice rules subject to the Insurance Fair Conduct Act (RCW 48.30.015)."

The majority of the substantive changes deal with automobile property damage claims. The most significant new requirements are: (1) the insurer must make a good faith effort to communicate with the insured's chosen repair shop; (2) if a claimant provides an estimate from its chosen shop, and the insurer declines to pay that full estimate amount, the insurer must fully disclose the reasons for the difference in payments it is making; (3) the insurer must consider any additional loss-related damage the repair facility discovers while repairs are being carried out; and (4) an insurer must now include its insured's deductible in any subrogation demand(s) it makes to a tortfeasor's insurer, even if the insured does not ask the insurer to do so.

The Washington State Register red-line version of all changes is found at WSR 09-11-129: http://apps.leg.wa.gov/documents/laws/wsr/2009/11/09-11-129.htm

If you have any questions concerning this article please contact any Shareholder at (206) 624-1800. Soha & Lang, P.S. is regional and national coverage counsel for a number of the nation's major insurance companies. Advising and representing insurers in the resolution of coverage and bad faith disputes is the major focus of the firm's practice.