

AN ACT Relating to the appraisal clause found in motor vehicle insurance policies; and adding a new section to chapter 48.18 RCW.

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

NEW SECTION. A new section is added to chapter 48.18 RCW to read as follows:

(1) Every basic contract of motor vehicle insurance must include a provision for the right to an appraisal to resolve disputes between the insurer and the insured regarding the actual cash value and amount of loss on the damaged vehicle. The policy's appraisal clause must read as follows or an insurer certifies that it is not less favorable to the insured:

(a) If we [the insurance company] and you [the policyholder] are unable to agree as to the amount of loss, either party may make a written demand for an appraisal, and within ten days each party must select a competent and disinterested appraiser and notify the other party of its selection;

(b) The selected appraisers must appoint a competent and disinterested umpire. If the appraisers do not appoint a competent and disinterested umpire within fifteen days, either party may request that a judge of a court of competent jurisdiction select an umpire;

(c) The appraisers must then appraise the loss, making separate findings regarding the amount of loss for each element of loss, and submit their differences to the umpire only if they are unable to agree on the losses;

(d) The amount of loss must be determined by agreement of the appraisers, or by agreement of one appraiser and the umpire; and

(e) Each party is responsible for expenses of the appraisal, and each party is equally responsible for the cost of the umpire.

(f) However, we [the insurance company] will reimburse you [the policyholder] for the costs of the appraisal process when the amount of loss determined through the appraisal process is greater than the amount of loss we adjusted before the appraisal process was invoked.

(i) Appraisal process costs include reasonable appraiser professional charges, reasonable attorneys' fees, and other necessary actual costs.

(2) This section applies for policies issued or renewed effective on or after January 1, 2023.

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Motor Vehicle" has the same meaning as found in RCW 46.04.320

(b) "Basic contract of motor vehicle insurance" means any motor vehicle insurance policy that includes first-party coverage for physical damage.