

AN ACT Relating to 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 contain the following language: "When a vehicle is deemed repairable by us (the insurance company), the amount paid under the claim must allow the vehicle to be restored to its condition prior to the loss." Restoration of the vehicle to its condition prior to the loss includes repair processes as defined in subsection (5) (b) of this section.

(2) Payment of a claim under a basic contract of motor vehicle insurance for physical damage must be based upon the reasonable and necessary costs at the claimant's chosen repair facility.

(a) The insurance company has the burden to prove the costs at the claimant's chosen repair facility are unreasonable or unnecessary.

(b) Repair processes as defined in subsection (5) (b) of this section are deemed reasonable and necessary.

(3) Nothing in this section mandates that an insurance company pay for parts supplied by the original equipment manufacturer, except to the extent that the use of alternate parts would fail to restore the vehicle to its condition prior to the loss.

(4) 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.

(c) "Repair processes" means the explicit processes, tolerances, and other technical requirements or instructions for the repair of a motor vehicle including scans, calibrations, or diagnostic tests of vehicle electronic systems that the motor vehicle manufacturer makes available to dealerships, independent repair shops, and insurers generally.