

---

ENGROSSED SENATE BILL 5730

---

State of Washington

62nd Legislature

2011 Regular Session

By Senator Rockefeller

Read first time 02/09/11. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to usage-based automobile insurance and exempting  
2 certain usage-based insurance information from public inspection;  
3 amending RCW 48.19.040; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that among the choices  
6 of automobile insurance policies that are available to drivers in this  
7 state should be policies whose premiums are priced based upon the  
8 demonstration of safe driving behavior. Having such usage-based  
9 policies available will provide people an opportunity to save money in  
10 the costs of insuring their vehicles, and would provide an incentive  
11 for reduced and safer driving that will reduce costs for fuel and  
12 vehicle maintenance, reduce accidents, and decrease driving-related  
13 pollution and congestion. Therefore, it is the purpose of this  
14 legislation to encourage the offering of these policies in Washington  
15 by eliminating existing regulatory barriers to offering usage-based  
16 automobile insurance policies, expressly authorizing the insurance  
17 commissioner to approve the offering of such policies, ensuring the  
18 privacy of drivers is protected, and allowing trade secret protection  
19 for proprietary usage-based insurance models.

1       **Sec. 2.** RCW 48.19.040 and 1994 c 131 s 8 are each amended to read  
2 as follows:

3       (1) Every insurer or rating organization shall, before using, file  
4 with the commissioner every classifications manual, manual of rules and  
5 rates, rating plan, rating schedule, minimum rate, class rate, and  
6 rating rule, and every modification of any of the foregoing which it  
7 proposes. The insurer need not so file any rate on individually rated  
8 risks as described in subdivision (1) of RCW 48.19.030; except that any  
9 such specific rate made by a rating organization shall be filed.

10       (2) Every such filing shall indicate the type and extent of the  
11 coverage contemplated and must be accompanied by sufficient information  
12 to permit the commissioner to determine whether it meets the  
13 requirements of this chapter. An insurer or rating organization shall  
14 offer in support of any filing:

15       (a) The experience or judgment of the insurer or rating  
16 organization making the filing;

17       (b) An exhibit detailing the major elements of operating expense  
18 for the types of insurance affected by the filing;

19       (c) An explanation of how investment income has been taken into  
20 account in the proposed rates; and

21       (d) Any other information which the insurer or rating organization  
22 deems relevant.

23       (3) If an insurer has insufficient loss experience to support its  
24 proposed rates, it may submit loss experience for similar exposures of  
25 other insurers or of a rating organization.

26       (4) Every such filing shall state its proposed effective date.

27       (5)(a) A filing made pursuant to this chapter shall be exempt from  
28 the provisions of RCW 48.02.120(3). However, the filing and all  
29 supporting information accompanying it shall be open to public  
30 inspection only after the filing becomes effective unless such  
31 information is specifically exempt from public inspection.

32       (b) Information associated with an auto insurance filing for a  
33 usage or mileage-based insurance product that constitutes a trade  
34 secret as defined in RCW 19.108.010 is exempt from public inspection.

35       (6) Where a filing is required no insurer shall make or issue an  
36 insurance contract or policy except in accordance with its filing then

1 in effect, except as is provided by RCW 48.19.090.

--- END ---