NW Insurance Council

Property & Casualty Insurance in Washington State
Senate Business, Financial Services, Gaming & Trade Committee
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November 30, 2023

About Northwest Insurance Council



- Our mission is to inform media, consumers & policymakers about home, auto & business insurance in Washington, Oregon & Idaho.
- Our members are all Property & Casualty insurers – they primarily underwrite homes, businesses and vehicles. Some are national companies, others are regional. Some are mutual companies, owned by their policyholders, others are stock companies. Some are headquartered in Washington.

Insurance 101: About Homeowners, Renters and Mobile Home insurance policies

Homeowners' & Mobile Home Insurance Policies DO Cover:

- Damage or loss to your home and its contents from theft, fire (including wildfire), wind or other covered peril.
- Cost of living outside your home during repairs.
- Homeowner's liability for accidents/injuries to others.

Note: time and dollar limits, deductibles affect the coverage.

Renters' Insurance Covers:

- Damage or loss to your possessions in your rental space (apartment, condo, house, etc).
- Limited liability coverage for the renter for accidents/injuries to others.

Note: time and $$$ limits, deductibles affect the coverage.

What these policies do NOT cover:

Homeowners, Mobile Home and Renters policies specifically exclude coverage for:

- Flooding from outside the home.
- Earthquakes.
- Earth movement – landslides, mudflow and sinkholes.

Note: coverage for these perils is typically available. For flood, consider the National Flood Insurance Program. For the other perils, consider specialty lines "Difference In Conditions" coverage.

Insurance 101: About Auto insurance policies

Five Common Auto Insurance Policies:

- **Liability Insurance –** provides coverage to the policyholder for claims against them for damages or injuries they cause to others.
- **Collision Insurance –** provides coverage for damage to the policyholder's own vehicle if involved in a collision with another vehicle or other object (tree, guardrail, ditch, etc.).
- **Comprehensive Insurance –** provides coverage for the policyholder's vehicle due to weather damage, hit & run while parked, vandalism or theft, or if the vehicle strikes a deer or other wildlife.
- **Personal Injury Protection (PIP, or MedPay) –** provides coverage for injured passengers in the policyholders' vehicle due to a collision.
- **Uninsured/Underinsured Motorist (UM/UIM):** Provides coverage to the policyholder for injuries or damages caused by a driver who has no liability insurance, or whose liability insurance limits are insufficient to pay for damages or injuries.

What insurance consumers & policymakers should know about home, business and auto insurance in Washington.

1. Insurance for homes, businesses and vehicles is remains available – but can be challenging in some areas, for some properties - and costs are rising.

- We believe more than 100 home and business insurers are writing insurance for homeowners, renters, small businesses and drivers in Washington.
- Due to rising repair and rebuilding costs and underwriting losses (when claims payouts exceed premiums) insurers are re-evaluating risk exposures, particularly in areas that are at risk for large-scale disasters (weather, wildfire) and for repetitive claims (property crimes, auto theft). And in some cases, they are increasing premiums, especially for higher-risks.
- For consumers, this could mean premium increases, or the need to seek new or additional coverage for their home, business or vehicle.

2. There are significant efforts underway to encourage property-level mitigation and community-level resilience to disasters.

- FEMA and states like CA, LA, MN and TX are working on mitigation grant programs to help property owners better mitigate the risk of damage from natural disasters.
- Insurers and organizations including the National Fire Protection Association and the Insurance Institute for Business & Home Safety are deeply engaged in resiliency research (Wildfire Prepared Home, etc.).
- Insurers are investing in risk-evaluation tools to more accurately evaluate and price risk.
- Maintaining a healthy, competitive insurance market is critical to responding to the state's housing crisis and the rise in percentage of uninsured drivers.