

An ACT relating to insurers having a financial interest in automotive repair facilities; adding a new section to chapter 48.18 RCW; and creating a new section.

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

NEW SECTION **Sec. 1.** The legislature finds that ...

NEW SECTION **Sec. 2.** A new section is added to chapter 48.18 RCW to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Automotive repair facility" has the same meaning as in RCW 46.71.011.

(2) "Insurer" means any individual, corporation, association, partnership, reciprocal exchange, interinsurer, Lloyds insurer, fraternal mutual insurer, fraternal mutual life insurer, and any other legal entity engaged in the business of insurance, authorized or licensed to issue or who issues any motor vehicle insurance policy or motor vehicle insurance contract in this state. "Insurer" does not include health care service contractors, as defined in RCW 48.44.010, and health maintenance organizations, as defined in RCW 48.46.020.

(3) "Ownership interest" means the right to control the affairs of a business, or the right to share in the profits of a business, and includes a loan to the business when the interest on the loan is based upon the income of the business or the loan carries more than a commercially reasonable rate of interest.

(4) "Commissioner" means the Insurance Commissioner of the State of Washington.

NEW SECTION **Sec. 3.** No insurer shall acquire any ownership interest in an automotive repair facility. An insurer that has an ownership interest in an automotive repair facility shall fully divest itself of ownership interest no later than July 1, 2006.

NEW SECTION **Sec. 5.** The Commissioner shall enforce the provisions of this chapter.

NEW SECTION **Sec. 5.** This act shall take effect July 1, 2005.

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