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December 8, 2025

Office of the Insurance Commissioner
State of Washington
P.O. Box 40255
Olympia, WA 98504-0255

Re: *Registering and Identifying Umpires in Auto Appraisals (R 2025-04)*

Greetings:

I am writing to provide comments/suggestions concerning the proposed language regarding the adoption of standards for registering and identifying Umpires in Auto Appraisals (R 2025-04).

My practice for many years has involved representing Washington consumers in auto insurance cases in both State and Federal Court involving automobile property damage claims pertaining to incomplete/improper/“botched” repair work, loss in value, total loss valuation, calculation of compensation owed for loss of use, and other resulting damages.

Based upon the proposed language and my experience, I have identified several issues with the November 4, 2025 Draft:

First, while I believe that the reference to “first-party coverage for physical damage” in context refers to the comprehensive and collision coverages, to avoid confusion, in my opinion the OIC should make clear that the separate Underinsured Motorist Property Damage “UMPD” coverage (which is separate from the physical damage coverages in Washington) is not covered by this regulation or RCW 48.18.620. While policies from insurers containing UMPD coverage may contain an *arbitration* clause (usually limited to set issues), those are not *appraisal* clauses, and the scope of limitation should be made clear in the WAC so that those not deeply versed in insurance law can understand the provision’s scope/limitation. This clarification is consistent with RCW 48.18.200, which renders arbitration agreements in insurance contracts void. See, e.g., *State, Dep’t of Transp. v. James River Ins. Co.*, 176 Wn. 2d 390, 292 P.3d 118 (2013).

Second, I will note that Washington has detailed regulations and requirements for both Public Adjusters and Independent Adjusters. See e.g., <https://www.insurance.wa.gov/producers-adjusters/licensing/get-licensed/adjuster-crop-independent-or-public> It has been my experience that Public/Independent adjusters are most qualified to address issues of valuation (both loss in value and total loss value) as well as value any loss in use. While those with extensive body shop experience who have access to estimating software can (and often do) provide evidence on

what repairs may be necessary, and the cost to conduct those repairs, they have no expertise and certainly would not be qualified to testify in Court as to issues of valuation.

Third, the proposed regulatory text appears to be focused on disputes concerning what it takes to repair a vehicle, i.e., the cost of repair. All of the qualifications in proposed WAC 284-30-310 (c)(i), and (c)(ii)(A-C) may provide a basis to provide opinions as to the necessary repairs for a damaged vehicle, but such individuals would not be competent to testify in court as to a total loss/ACV valuation or the resulting loss in fair market value (“diminished value”) or the valuation of loss of use.

Fourth, as to disputes regarding Actual Cash Value (“ACV”), the proposed text omits those with the most training and licensure in this State (public and independent adjusters) who should be added as having the necessary professional credentials. More generally, what is listed are several “lead generation” organizations, which certainly do not provide the level of professional qualifications required of public and independent adjusters. While it may be necessary to include those who possess these types of paid membership credentials, *at a minimum* public and independent adjusters licensed by the OIC should be automatically qualified to be an umpire.

Fifth, in my opinion it is necessary that the proposed regulation limit those with only “repair” experience to umpiring loss issues involving the repair and repair costs on vehicle. I certainly do not believe that any Court would allow someone without qualifications of a public or independent adjuster, and with no qualifications other than those is proposed WAC 284-30-310 (c)(i), and (c)(ii)(A-C) to testify to “actual cash value” of the vehicle. The regulation should not allow them to be selected as umpires in such disputes.

Finally, I do not believe the regulation should include the requirement that someone must have served “a minimum of five times on an appraisal panel as an umpire”. Having been involved in these processes for years, there are many highly qualified people who serve as appraisers, but outside of a few individuals most people appointed as umpires have been retired judges or lawyers. And it should be added, those with the most experience in Washington nearly always have acted as adjusters, not umpires. And of course, as written, no one could EVER get the requisite five times as an umpire, unless they did it in another State, as they would never qualify in Washington.

Understanding what I believe to be the intent, perhaps the solution is to allow any Washington Licensed Public or Independent Adjuster to be an umpire, and then to allow additional individuals who either have served before (the five set in the current draft) or have served on a certain number of appraisal panels (say 20) involving either respectively repair or valuation issues.

The qualification should then be limited to only repair issues, or for those with the requisite

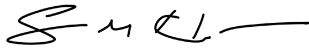
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qualifications and experience, all issues arising under RCW 48.18.620.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read "S M Hansen", followed by a horizontal line.

Stephen M. Hansen
WSBA #15642

SMH/sbw