

(4) A violation of this section involving salmon constitutes illegal fishing and is subject to the sanctions provided under RCW 75.28.384.

Passed the Senate February 16, 1982.

Passed the House March 11, 1982.

Approved by the Governor April 3, 1982.

Filed in Office of Secretary of State April 3, 1982.

## CHAPTER 198

[House Bill No. 916]

### JUDGMENTS—INTEREST

AN ACT Relating to interest on judgments; and amending section 4, chapter 136, Laws of 1895 as last amended by section 5, chapter 94, Laws of 1980 and RCW 4.56.110.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 4, chapter 136, Laws of 1895 as last amended by section 5, chapter 94, Laws of 1980 and RCW 4.56.110 are each amended to read as follows:

Interest on judgments shall accrue as follows:

(1) Judgments founded on written contracts, providing for the payment of interest until paid at a specified rate, shall bear interest at the rate specified in such contracts(~~(; not in any case, however, to exceed twelve percent per annum)~~): PROVIDED, That said interest rate is set forth in the judgment.

(2) Except as provided under subsection (1) of this section, judgments shall bear interest at the rate of ~~((ten))~~ twelve percent per annum from the date of entry thereof: PROVIDED, That in any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered.

Passed the House March 9, 1982.

Passed the Senate March 4, 1982.

Approved by the Governor April 3, 1982.

Filed in Office of Secretary of State April 3, 1982.

## CHAPTER 199

[Senate Bill No. 4436]

### IMPLIED WARRANTIES—LIVESTOCK SALES

AN ACT Relating to implied warranties; and amending section 2-316, chapter 157, Laws of 1965 ex. sess. as last amended by section 1, chapter 180, Laws of 1974 ex. sess. and RCW 62A.2-316.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 2-316, chapter 157, Laws of 1965 ex. sess. as last amended by section 1, chapter 180, Laws of 1974 ex. sess. and RCW 62A.2-316 are each amended to read as follows:

(1) Words or conduct relevant to the creation of an express warranty and words or conduct tending to negate or limit warranty shall be construed wherever reasonable as consistent with each other; but subject to the provisions of this Article on parol or extrinsic evidence (RCW 62A.2-202) negation or limitation is inoperative to the extent that such construction is unreasonable.

(2) Subject to subsection (3), to exclude or modify the implied warranty of merchantability or any part of it the language must mention merchantability and in case of a writing must be conspicuous, and to exclude or modify any implied warranty of fitness the exclusion must be by a writing and conspicuous. Language to exclude all implied warranties of fitness is sufficient if it states, for example, that "There are no warranties which extend beyond the description on the face hereof."

(3) Notwithstanding subsection (2)

(a) unless the circumstances indicate otherwise, all implied warranties are excluded by expressions like "as is", "with all faults" or other language which in common understanding calls the buyer's attention to the exclusion of warranties and makes plain that there is no implied warranty; and

(b) when the buyer before entering into the contract has examined the goods or the sample or model as fully as he desired or has refused to examine the goods there is no implied warranty with regard to defects which an examination ought in the circumstances to have revealed to him; ~~(and)~~

(c) an implied warranty can also be excluded or modified by course of dealing or course of performance or usage of trade; and

(d) in sales of livestock, including but not limited to, horses, mules, cattle, sheep, swine, goats, poultry, and rabbits, there are no implied warranties as defined in this article that the livestock are free from sickness or disease: PROVIDED, That the seller has complied with all state and federal laws and regulations that apply to animal health and disease, and the seller is not guilty of fraud, deceit or misrepresentation.

(4) Notwithstanding the provisions of subsections (2) and (3) of this section and the provisions of RCW 62A.2-719, as now or hereafter amended, in any case where goods are purchased primarily for personal, family or household use and not for commercial or business use, disclaimers of the warranty of merchantability or fitness for particular purpose shall not be effective to limit the liability of merchant sellers except insofar as the disclaimer sets forth with particularity the qualities and characteristics which are not being warranted. Remedies for breach of warranty can be limited in accordance with the provisions of this Article on liquidation or limitation of

damages and on contractual modification of remedy (RCW 62A.2-718 and RCW 62A.2-719).

Passed the Senate March 9, 1982.

Passed the House March 8, 1982.

Approved by the Governor April 3, 1982.

Filed in Office of Secretary of State April 3, 1982.

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## CHAPTER 200

[Substitute House Bill No. 891]

### MEDICARE SUPPLEMENTAL HEALTH INSURANCE—STANDARDS

AN ACT Relating to medicare supplemental health insurance; amending section 10, chapter 153, Laws of 1981 and RCW 48.66.100; amending section 12, chapter 153, Laws of 1981 and RCW 48.66.120; adding a new section to chapter 48.66 RCW; repealing section 3, chapter 153, Laws of 1981 and RCW 48.66.030; repealing section 4, chapter 153, Laws of 1981 and RCW 48.66.040; repealing section 14, chapter 153, Laws of 1981 and RCW 48.66.140; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

**NEW SECTION.** Section 1. There is added to chapter 48.66 RCW a new section to read as follows:

(1) The insurance commissioner shall adopt rules to establish minimum standards for benefits in medicare supplement insurance policies.

(2) The commissioner shall adopt rules to establish specific standards for medicare supplement insurance policy provisions. These rules may include but are not limited to:

- (a) Terms of renewability;
- (b) Nonduplication of coverage;
- (c) Benefit limitations, exceptions, and reductions; and
- (d) Definitions of terms.

(3) The insurance commissioner may adopt rules that establish disclosure standards for replacement of policies or certificates by persons eligible for medicare by reason of age.

(4) The insurance commissioner may by rule prescribe that an informational brochure, designed to improve the buyer's understanding of medicare and ability to select the most appropriate coverage, be provided to persons eligible for medicare by reason of age. The commissioner may require that the brochure be provided to applicants concurrently with delivery of the outline of coverage, except with respect to direct response insurance, when the brochure may be provided upon request but no later than the delivery of the policy.

(5) In the case of a state or federally qualified health maintenance organization, the commissioner may waive compliance with one or all provisions of this section until January 1, 1983.