

2 **SHB 2224 - H AMD Adopted 02-18-02 February 18, 2002**

3 By Representative Cooper

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5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. **Sec. 1.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires otherwise.

9 (1) "Communications equipment" means handsets, pagers, personal
10 digital assistants, portable computers, automatic answering devices,
11 batteries, and other devices or their accessories used to originate or
12 receive communications signals or service so long as the value of the
13 other devices does not exceed one thousand five hundred dollars or the
14 other devices are approved for coverage by rule of the commissioner,
15 and also includes services related to the use of the devices.

16 (2) "Communications equipment insurance program" means an insurance
17 program as described in section 3 of this act.

18 (3) "Communications service" means the service necessary to send,
19 receive, or originate communications signals.

20 (4) "Customer" means a person or entity purchasing or leasing
21 communications equipment or communications services from a vendor.

22 (5) "Specialty producer license" means a license issued under
23 section 2 of this act that authorizes a vendor to offer or sell
24 insurance as provided in section 3 of this act.

25 (6) "Supervising agent" means an agent licensed under RCW 48.17.060
26 who provides training as described in section 4 of this act and is
27 affiliated to a licensed vendor.

28 (7) "Vendor" means a person or entity resident or with offices in
29 this state in the business of leasing, selling, or providing
30 communications equipment or communications service to customers.

31 (8) "Appointing insurer" means the insurer appointing the vendor as
32 its agent under a specialty producer license.

33 NEW SECTION. **Sec. 2.** (1) A vendor that intends to offer insurance
34 under section 3 of this act must file a specialty producer license
35 application with the commissioner. Before the commissioner issues such

1 a license, the vendor must be appointed as the agent of one or more
2 authorized appointing insurers under a vendor's specialty producer
3 license.

4 (2) Upon receipt of an application, if the commissioner is
5 satisfied that the application is complete, the commissioner may issue
6 a specialty producer license to the vendor.

7 NEW SECTION. **Sec. 3.** A specialty producer license authorizes a
8 vendor and its employees and authorized representatives to offer and
9 sell to, enroll in, and bill and collect premiums from customers for
10 insurance covering communications equipment on a master, corporate,
11 group, or individual policy basis.

12 NEW SECTION. **Sec. 4.** (1) A vendor issued a specialty producer
13 license may not issue insurance under section 3 of this act unless:

14 (a) At every location where customers are enrolled in
15 communications equipment insurance programs, written material regarding
16 the program is made available to prospective customers; and

17 (b) The communications equipment insurance program is operated with
18 the participation of a supervising agent who, with authorization and
19 approval from the appointing insurer, supervises a training program for
20 employees of the licensed vendor.

21 (2) Employees and authorized representatives of a vendor issued a
22 specialty producer license may only act on behalf of the vendor in the
23 offer, sale, solicitation, or enrollment of customers in a
24 communications equipment insurance program. The conduct of these
25 employees and authorized representatives within the scope of their
26 employment or agency is the same as conduct of the vendor for purposes
27 of this title.

28 NEW SECTION. **Sec. 5.** (1) A vendor issued a specialty producer
29 license under this chapter is subject to RCW 48.17.540 through
30 48.17.560.

31 (2) The commissioner may adopt rules necessary for the
32 implementation of this chapter, including, but not limited to, rules
33 governing:

34 (a) The specialty producer license application process, including
35 any forms required to be used;

1 (b) The standards for approval and the required content of written
2 materials required under section 4(1)(a) of this act;

3 (c) The approval and required content of training materials
4 required under section 4(1)(b) of this act;

5 (d) Establishing license fees to defray the cost of administering
6 the specialty producer licensure program;

7 (e) Establishing requirements for the remittance of premium funds
8 to the supervising agent under authority from the program insurer; and

9 (f) Determining the applicability or nonapplicability of other
10 provisions of this title to this chapter.

11 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
12 a new chapter in Title 48 RCW."

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16 On page 1, line 2 of the title, after "insurance;" strike the
17 remainder of the title and insert "and adding a new chapter to Title 48
18 RCW."

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