
ENGROSSED SUBSTITUTE HOUSE BILL 2224

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Benson and Hatfield)

Read first time 02/08/2002. Referred to Committee on .

1 AN ACT Relating to licensing specialty producers of certain lines
2 of insurance; and adding a new chapter to Title 48 RCW.

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

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

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

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

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

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

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

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

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

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

12 NEW SECTION. **Sec. 2.** (1) A vendor that intends to offer insurance
13 under section 3 of this act must file a specialty producer license
14 application with the commissioner. Before the commissioner issues such
15 a license, the vendor must be appointed as the agent of one or more
16 authorized appointing insurers under a vendor's specialty producer
17 license.

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

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

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

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

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

35 (2) Employees and authorized representatives of a vendor issued a
36 specialty producer license may only act on behalf of the vendor in the

1 offer, sale, solicitation, or enrollment of customers in a
2 communications equipment insurance program. The conduct of these
3 employees and authorized representatives within the scope of their
4 employment or agency is the same as conduct of the vendor for purposes
5 of this title.

6 NEW SECTION. **Sec. 5.** (1) A vendor issued a specialty producer
7 license under this chapter is subject to RCW 48.17.540 through
8 48.17.560.

9 (2) The commissioner may adopt rules necessary for the
10 implementation of this chapter, including, but not limited to, rules
11 governing:

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

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

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

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

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

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

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

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