

HOUSE BILL REPORT

SB 6231

As Reported by House Committee On:
Financial Institutions & Insurance

Title: An act relating to exempting certain private air ambulance services from licensing under the insurance code.

Brief Description: Exempting certain private air ambulance services from licensing under the insurance code.

Sponsors: Senator Spanel; by request of Insurance Commissioner.

Brief History:

Committee Activity:

Financial Institutions & Insurance: 2/16/06 [DP].

Brief Summary of Bill

- Exempts qualified air ambulances services that sell member subscriptions from the Insurance Code.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass. Signed by 10 members: Representatives Kirby, Chair; Ericks, Vice Chair; Roach, Ranking Minority Member; Tom, Assistant Ranking Minority Member; Newhouse, O'Brien, Santos, Serben, Simpson and Strow.

Staff: Jon Hedegard (786-7127).

Background:

The Insurance Code, Title 48 RCW, governs all insurance and insurance transactions in this state or affecting subjects located within this state. "Insurance" is defined as "a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies."

Among other duties for insurers, the Insurance Code requires:

- minimum reserves to ensure solvency;
- licensing of agents and brokers;
- registration with the Office of the Insurance Commissioner (OIC); and
- the filing of forms and rates with the OIC.

Legislation passed in 2005 (ESSB 5736) required the OIC to provide a feasibility study to the Legislature regarding subscription air ambulance services. In the course of the evaluation, the OIC was required to:

- consult with public and private entities which offer, provide, and purchase subscription air ambulance service;
- assess the needs of potential providers, including the costs involved in providing service to island and rural areas and the burdens imposed by OIC reporting and solvency requirements;
- determine the implications of subscription air ambulance service on consumer protection issues; and
- perform a comparison with other states in which subscription air ambulance services operate.

The Department of Health (DOH) licenses ambulance services. Licenses are valid for two years and are renewed on request provided that the holder has consistently complied with the applicable state regulations and has met the needs of the area satisfactorily. Licenses are not transferable and may be revoked by the DOH.

Summary of Bill:

Private air ambulance services that solicit and accept membership subscriptions, charge fees and provide services are not insurers under the Insurance Code if the service:

- meets licensure requirements; and
- attains and maintains accreditation by the Commission on Accreditation of Medical.

Transport Services or another accreditation organization approved by the DOH:

- has operated in Washington for a minimum of two years; and
- submits evidence of compliance with these provisions to the OIC.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This is an excellent bill. Thank you for passing the House version. We ask that you now pass the Senate version also.

Testimony Against: None.

Persons Testifying: Vicki Kirkpatrick, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.