
SUBSTITUTE SENATE BILL 5736

State of Washington

59th Legislature

2005 Regular Session

By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senator Spanel)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to the availability of subscription air ambulance
2 services; adding a new chapter to Title 48 RCW; and creating a new
3 section.

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

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

7 (1) "Air ambulance" means a helicopter or airplane designed and
8 used to provide transportation for the ill and injured, and to provide
9 personnel, facilities, and equipment to treat customers before and
10 during transportation. "Air ambulance" as used in this chapter means
11 a service that is in compliance with WAC 246-976-320.

12 (2) "Customer" means a person or entity purchasing subscription air
13 ambulance service from a vendor.

14 (3) "Subscription air ambulance service" means coverage for air
15 ambulance transport that is offered by a vendor that solicits
16 membership subscriptions, accepts membership applications, charges
17 membership fees, and furnishes prepaid or discounted air ambulance
18 service to subscription members and designated members of their
19 households.

1 (4) "Vendor" means a person, entity, corporation, or nonprofit
2 corporation that is a resident of this state or has offices in this
3 state and is in the business of offering, selling, or providing
4 subscription air ambulance service to customers.

5 NEW SECTION. **Sec. 2.** (1) A vendor that intends to offer
6 subscription air ambulance service under this chapter must file a
7 vendor license application with the commissioner.

8 (2) The commissioner may prescribe the subscription air ambulance
9 service vendor application form. The initial licensing fee is two
10 hundred fifty dollars, and the license is valid for two years. The
11 renewal fee is fifty dollars.

12 (3) Upon receipt of an application, if the commissioner is
13 satisfied that the application is complete, the commissioner may issue
14 a license to the vendor.

15 NEW SECTION. **Sec. 3.** A vendor license authorizes a vendor and its
16 employees and authorized representatives to offer, sell, bill, and
17 collect fees for, and enroll customers in, a subscription air ambulance
18 service.

19 NEW SECTION. **Sec. 4.** (1) A vendor issued a license may not
20 provide the services under section 3 of this act unless:

21 (a) At every location where customers purchase subscription air
22 ambulance service, written material regarding the service is made
23 available to prospective customers;

24 (b) It supervises a training program for its employees and
25 authorized representatives; and

26 (c) It provides the commissioner with a list of employees and
27 authorized representatives that provide the services under section 3 of
28 this act.

29 (2) Employees and authorized representatives of a vendor issued a
30 license may act on behalf of the vendor in the offer, sale,
31 solicitation, or enrollment of customers of subscription air ambulance
32 service. The conduct of these employees and authorized representatives
33 within the scope of their employment or representation is the same as
34 the conduct of the vendor for purposes of this chapter.

1 NEW SECTION. **Sec. 5.** For informational purposes only, licensed
2 vendors of subscription air ambulance service must file with the
3 commissioner:

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

6 (2) The approval and required content of a training program under
7 section 4(1)(b) of this act; and

8 (3) Audited financial statements for the previous year at the time
9 of application and annually thereafter on June 1st of each year.

10 NEW SECTION. **Sec. 6.** (1) Every vendor licensed under this chapter
11 shall promptly reply in writing to an inquiry of the commissioner
12 relative to the business of subscription air ambulance service.

13 (2)(a) In the event of a violation of this chapter by a vendor, the
14 commissioner may revoke, suspend, or refuse to issue or renew a
15 vendor's license that is issued or may be issued under this chapter for
16 any cause specified in any other provision of this title or for any of
17 the following causes:

18 (i) For any cause that the issuance of this license could have been
19 refused had it then existed and been known to the commissioner;

20 (ii) If the licensee or applicant willfully violates or knowingly
21 participates in a violation of this chapter;

22 (iii) If the licensee or applicant has obtained or attempted to
23 obtain a license through willful misrepresentation or fraud;

24 (iv) If the licensee or applicant has misappropriated or converted
25 funds that belong to, or should be paid to, another person as a result
26 of, or in connection with, subscription air ambulance service;

27 (v) If the licensee or applicant has, with intent to deceive,
28 materially misrepresented the terms or effects of any subscription air
29 ambulance service contract, or has engaged, or is about to engage, in
30 any fraudulent transaction;

31 (vi) If the licensee or applicant or officer of the licensee or
32 applicant has been convicted by final judgment of a felony;

33 (vii) If the licensee or applicant is shown to be, and is
34 determined by the commissioner, incompetent or untrustworthy, or a
35 source of injury and loss to the public; or

36 (viii) If the vendor has dealt with, or attempted to deal with,

1 insurances, or has exercised powers relative to insurance outside the
2 scope of the vendor's license.

3 (b) The holder of any license that has been revoked or suspended
4 shall surrender the license to the commissioner at the commissioner's
5 request.

6 (3) The commissioner may suspend, revoke, or refuse to renew any
7 vendor's license by an order served by mail or personal service upon
8 the licensee not less than fifteen days prior to its effective date.
9 The order is subject to the right of the licensee to a hearing under
10 chapter 48.04 RCW.

11 (4) The commissioner may temporarily suspend a license by an order
12 served by mail or personal service upon the licensee not less than
13 three days prior to its effective date. However, the order must
14 contain a notice of revocation and include a finding that the public
15 safety or welfare imperatively requires emergency action. These
16 suspensions may continue only until proceedings for revocation are
17 concluded. The commissioner may also temporarily suspend a license in
18 cases when proceedings for revocation are pending if it is found that
19 the public safety or welfare imperatively requires emergency action.

20 (5) Service by mail under this section means posting in the United
21 States mail, addressed to the licensee at the most recent address shown
22 in the commissioner's licensing records for the licensee. Service by
23 mail is complete upon deposit in the United States mail.

24 (6) If any person sells subscription air ambulance service or holds
25 himself or herself or a company out as a vendor without satisfying the
26 requirements of this chapter, the commissioner is authorized to issue
27 a cease and desist order.

28 NEW SECTION. **Sec. 7.** With the exception of this chapter and
29 chapters 48.02 and 48.04 RCW, Title 48 RCW does not apply to
30 subscription air ambulance service as provided by this chapter.

31 NEW SECTION. **Sec. 8.** If the insurance commissioner finds that
32 solvency standards should apply to subscription air ambulance service
33 under this chapter, the commissioner may report back to the legislature
34 regarding those standards.

1 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act constitute
2 a new chapter in Title 48 RCW.

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