

# SENATE BILL REPORT

## SHB 2188

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As Reported by Senate Committee On:  
Financial Institutions, Housing & Insurance, February 15, 2012

**Title:** An act relating to air rescue or evacuation services.

**Brief Description:** Regulating air rescue or evacuation services.

**Sponsors:** House Committee on Business & Financial Services (originally sponsored by Representatives Ryu and Parker).

**Brief History:** Passed House: 1/23/12, 95-0.

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/15/12 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Hobbs, Chair; Prentice, Vice Chair; Fain, Haugen and Keiser.

**Staff:** Edward Redmond (786-7471)

**Background:** In 2006 legislation was passed in response to the Office of Insurance Commissioner's (OIC) 2005 feasibility study analyzing whether air ambulance services should be regulated as insurers or whether an alternative consumer protection method should be established for subscribers of air ambulance services. SB 6231 clarified that a private air ambulance service provider that solicits and accepts membership subscriptions, charges fees, and provides services is not considered to be an insurer under Washington's Insurance Code if the service meets licensure and aeromedical transport services criteria, has been in operation in Washington for a minimum of two years, and submits evidence of compliance with the OIC.

At present, it is unclear whether subscription services that provide rescue, evacuation, emergency transport, and crisis management and consulting services related to an emergency should be regulated as insurers or whether an alternative consumer protection method should be established for subscribers of such services.

**Summary of Bill:** A subscription service that provides rescue, evacuation, emergency transport, and crisis management and consulting services related to an emergency is not an insurer as defined by statute. If applicable, the subscription service must either fulfill the

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licensing requirements within the jurisdiction in which services are rendered or contract with a service provider that has satisfied such licensure requirements. A service provider must satisfy the statutory private air ambulance licensure and accreditation requirements prior to providing air ambulance services within the state. The subscription service is only valid for residents of the state when traveling more than 100 miles away from home. A subscription service is not required to own the means of transportation used to provide such services.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The committee heard and passed the identical Senate companion bill earlier this session. That bill made it to the floor but did not make it onto the order of consideration. The reason for the bill is to find a regulatory safe harbor for these types of air rescue and evacuation services. The OIC has taken the position that these types of services, based on their contracts and current law, are insurance products. Currently, litigation is pending so that this issue can be addressed legislatively. There is no change to the existing air ambulance service statutes. The organizations are almost facing the identical situation air ambulance services were in five years ago when the Legislature created a safe harbor for that activity. A woman recently was traveling overseas and had an experience with an elephant that required the use of this emergency rescue service. If the bill does not pass, people will not be able to use these services when they travel abroad.

**Persons Testifying:** PRO: Mel Sorensen, Global Rescue, Medical Air Service; Linda Hull, citizen.