

# FINAL BILL REPORT

## SSB 5810

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### FULL VETO

Synopsis as Enacted

**Brief Description:** Exempting certain prepaid services from insurance regulation.

**Sponsors:** Senate Committee on Business, Financial Services & Trade (originally sponsored by Senators Mullet and Dozier).

**Senate Committee on Business, Financial Services & Trade**  
**House Committee on Consumer Protection & Business**

**Background:** Insurance Regulation in Washington State. Under state law, insurance is a contract one undertakes to indemnify another or pay a specified amount upon a certain event. The Office of the Insurance Commissioner regulates insurance in Washington State through producer licensing and oversight, company supervision, reviewing and approving insurance products, and verifying insurance policies conform to state laws and regulations. To sell insurance, an insurer must hold a valid certificate of authority in this state.

Prepaid Legal Services. Prepaid legal services are, generally, membership plans that provide members access to lawyers for consultations, legal review of documents, preparation of documents, access to legal forms, and legal representation in court.

**Summary:** Under the laws governing insurance in Washington, legal service contractors are not insurers and legal service plans are not insurance. Certain arrangements are explicitly excluded from being considered legal service contracts and legal service plans, including those issued by an insurer holding a valid certificate of authority in this state. Terms such as legal service contractor, legal service plan, and member are defined.

**Votes on Final Passage:**

|        |    |   |                    |
|--------|----|---|--------------------|
| Senate | 47 | 0 |                    |
| House  | 97 | 0 | (House amended)    |
| Senate | 49 | 0 | (Senate concurred) |

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*