

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2224**

Chapter 357, Laws of 2002

57th Legislature  
2002 Regular Session

INSURANCE--SPECIALTY PRODUCER LICENSES

EFFECTIVE DATE: 6/13/02

Passed by the House March 11, 2002  
Yeas 94 Nays 0

FRANK CHOPP  
**Speaker of the House of Representatives**

Passed by the Senate March 7, 2002  
Yeas 46 Nays 1

BRAD OWEN  
**President of the Senate**

Approved April 4, 2002

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2224** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER  
**Chief Clerk**

FILED

April 4, 2002 - 3:01 p.m.

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 2224**

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AS AMENDED BY THE SENATE

Passed Legislature - 2002 Regular Session

**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 their accessories or other devices used to originate or  
9 receive communications signals or service approved for coverage by rule  
10 of the commissioner, and also includes services related to the use of  
11 the devices.

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

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

16            (4) "Customer" means a person or entity purchasing or leasing  
17 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.

Passed the House March 11, 2002.

Passed the Senate March 7, 2002.

Approved by the Governor April 4, 2002.

Filed in Office of Secretary of State April 4, 2002.