
SENATE BILL 5412

State of Washington

64th Legislature

2015 Regular Session

By Senator Angel

Read first time 01/21/15. Referred to Committee on Law & Justice.

1 AN ACT Relating to the regulation of service contracts; and
2 adding a new section to chapter 48.01 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.01
5 RCW to read as follows:

6 (1) It is the public policy of the state to promote service
7 contract arrangements between members of the public and lawyers and
8 other trained professionals who provide legal assistance and counsel
9 to the general public for any type of legal needs thereby
10 facilitating ready access to legal assistance for all citizens of the
11 state.

12 (2) Legal service contractors are not insurers under RCW
13 48.01.050 and legal service plans are not insurance under RCW
14 48.01.040.

15 (3) This section does not in any way affect the practice of law
16 in this state.

17 (4) This section does not apply to any of the following
18 arrangements:

19 (a) Retainer, fee, engagement, or representation agreements made
20 by an attorney or firm of attorneys with any person or group other
21 than a legal service contractor;

1 (b) Referral of individual clients to an attorney by a nonprofit
2 lawyer referral service or public corporation or entity such as a
3 state or local bar association provided there is no fee or charge for
4 such referral;

5 (c) Employee welfare benefit plans to the extent that state law
6 or regulation is preempted by federal law or regulation;

7 (d) The provision of legal assistance to low or moderate-income
8 persons by nonprofit legal aid organizations or legal aid programs
9 affiliated with the Washington state bar association, a local bar
10 association, a law school accredited by the American bar association,
11 or a program operated in conjunction with a paralegal education
12 program approved by the American bar association; or

13 (e) Policies of insurance, or coverage incidental to such
14 insurance which may include legal defense, issued by an insurer
15 holding a valid certificate of authority in this state and issued
16 under applicable laws in this title pertaining to such insurance.

17 (5) For the purposes of this section:

18 (a) "Enrolled participant" means an individual, person, or group
19 of individuals or persons eligible to receive legal services under a
20 legal service plan.

21 (b) "Legal service contractor" means any person, entity, or group
22 of persons, including associations, who is not engaged in the
23 practice of law or the business of insurance and who, for
24 consideration, provides enrolled participants with legal services
25 through agreements with providing attorneys.

26 (c) "Legal service plan" means an arrangement between a legal
27 service contractor and an individual or person or group of
28 individuals or persons, whereby specified legal services are to be
29 provided to enrolled participants in consideration of a specified
30 payment for a specified period of time.

31 (d) "Providing attorney" means an attorney licensed, in good
32 standing, and eligible to practice law in this state who provides
33 legal services under a providing attorney agreement in accordance
34 with the terms of the legal service plan.

35 (e) "Providing attorney agreement" means a written contract or
36 agreement between a legal service contractor and a providing attorney
37 under which the providing attorney renders and provides legal
38 services to an enrolled participant of a legal service plan.

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