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**HOUSE BILL 1177**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Kirby and Jinkins

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

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

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

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

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

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

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

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

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

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

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

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

(5) For the purposes of this section:

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

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

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

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

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

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