
**Financial Institutions &
Insurance Committee**

ESSB 5736

Brief Description: Conducting an evaluation of the feasibility of subscription air ambulance service.

Sponsors: Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senator Spanel).

Brief Summary of Engrossed Substitute Bill

- Requires the Office of the Insurance Commissioner to perform an evaluation of subscription air ambulance service and report back to the Legislature with respect to its findings and recommendations by December 31, 2005.

Hearing Date:

Staff: CeCe Clynch (786-7168).

Background:

The insurance code governs all insurance and insurance transactions in this state or affecting subjects located within this state. "Insurance" is defined as "a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies." The insurance code protects consumers by various means, such as requiring: a certain level of reserves be on hand to pay claims; licensing of agents and brokers; registration; and, filing of forms and rates.

The availability of air ambulance service can be critical, particularly to island and rural residents. Some persons may risk their health and forego calling for an air ambulance because the cost is too high. One air ambulance service which was previously available to Washington's island residents is no longer available. Being subject to insurance rules and regulations, including the reporting and solvency requirements found in the insurance code, may affect availability of air ambulance services.

Summary of Bill:

The Office of the Insurance Commissioner (OIC) is to fund and perform an evaluation of the feasibility of subscription air ambulance service. The evaluation is to be "geared toward" allowing individuals, corporations, and nonprofits to offer, sell, and provide such a service. The

OIC's report of its evaluation, including recommendations based upon findings, must be provided to the Legislature by December 31, 2005.

In the course of the evaluation, the OIC must:

- consult with public and private entities which offer, provide, and purchase subscription air ambulance service;
- assess the needs of potential providers, including the costs involved in providing service to island and rural areas and the burdens imposed by OIC reporting and solvency requirements;
- determine the implications of subscription air ambulance service on consumer protection issues; and
- perform a comparison with other states in which subscription air ambulance services operate.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.