H-3578.1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 2367**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Hoff, Vick, Orcutt, and Harris

AN ACT Relating to subscription service legal defense funds; amending RCW 48.01.050; adding a new section to chapter 48.01 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature recognizes citizens have the right to trial and representation by counsel for criminal and civil proceedings. The legislature has previously recognized that people are at times prosecuted after using force in self-defense and that citizens who are prosecuted but yet found not guilty may receive reimbursements for their legal fees in accordance with RCW 9A.16.110. In accordance with and recognition of the office of the insurance commissioner's finding that certain organizations in this state that solicit membership subscriptions, accept membership applications, charge membership fees, and provide legal assistance to law enforcement officer members after an on-duty self-defense incident, without a certificate of authority are exempt from regulation, the legislature intends to exempt self-defense legal service subscription providers from regulation by the office of the insurance commissioner. The legislature acknowledges such subscription services are uniquely distinct from insurance and shall not be considered insurance for the purpose of regulation and oversight.

**Sec.**  RCW 48.01.050 and 2015 c 109 s 1 are each amended to read as follows:

"Insurer" as used in this code includes every person engaged in the business of making contracts of insurance, other than a fraternal benefit society. A reciprocal or interinsurance exchange is an "insurer" as used in this code. Two or more hospitals that join and organize as a mutual corporation pursuant to chapter 24.06 RCW for the purpose of insuring or self-insuring against liability claims, including medical liability, through a contributing trust fund are not an "insurer" under this code. Two or more local governmental entities, under any provision of law, that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding are not an "insurer" under this code. Two or more affordable housing entities that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding under chapter 48.64 RCW are not an "insurer" under this code. Two or more persons engaged in the business of commercial fishing who enter into an arrangement with other such persons for the pooling of funds to pay claims or losses arising out of loss or damage to a vessel or machinery used in the business of commercial fishing and owned by a member of the pool are not an "insurer" under this code. Two or more nonprofit corporations that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding for property and liability risks under chapter 48.180 RCW are not an "insurer" under this code. A company that solicits membership subscriptions, accepts membership applications, charges membership fees, and provides legal assistance to a member after a self-defense incident, is not an "insurer" under this code.

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

(1) A company that solicits membership subscriptions, accepts membership applications, charges membership fees, and provides legal assistance to a member after a self-defense incident, is not an insurer as defined in RCW 48.01.050.

(2) Provision of benefits must be solely for legal services and may not be used to defray or pay civil damages or associated fines and penalties.

(3) A member of a legal services plan who is found not guilty by reason of self-defense is not eligible for reimbursement of legal costs as provided by RCW 9A.16.110, with the exception of lost time and other legal services as provided in RCW 9A.16.110.

**--- END ---**