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**HOUSE BILL 2367**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

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

Prefiled 01/10/20. Read first time 01/13/20. Referred to Committee on Consumer Protection & Business.

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

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes citizens have  
6 the right to trial and representation by counsel for criminal and  
7 civil proceedings. The legislature has previously recognized that  
8 people are at times prosecuted after using force in self-defense and  
9 that citizens who are prosecuted but yet found not guilty may receive  
10 reimbursements for their legal fees in accordance with RCW 9A.16.110.  
11 In accordance with and recognition of the office of the insurance  
12 commissioner's finding that certain organizations in this state that  
13 solicit membership subscriptions, accept membership applications,  
14 charge membership fees, and provide legal assistance to law  
15 enforcement officer members after an on-duty self-defense incident,  
16 without a certificate of authority are exempt from regulation, the  
17 legislature intends to exempt self-defense legal service subscription  
18 providers from regulation by the office of the insurance  
19 commissioner. The legislature acknowledges such subscription services  
20 are uniquely distinct from insurance and shall not be considered  
21 insurance for the purpose of regulation and oversight.

1       **Sec. 2.** RCW 48.01.050 and 2015 c 109 s 1 are each amended to  
2 read as follows:

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

30       NEW SECTION.   **Sec. 3.** A new section is added to chapter 48.01  
31 RCW to read as follows:

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

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

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

--- **END** ---