

# SENATE BILL REPORT

## SB 6021

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As Reported by Senate Committee On:  
Financial Institutions, Housing & Insurance, January 18, 2012

**Title:** An act relating to air rescue or evacuation services.

**Brief Description:** Regulating air rescue or evacuation services.

**Sponsors:** Senators Haugen, Fain, Shin and Roach.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Insurance: 1/11/12, 1/18/12 [DPS].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report:** That Substitute Senate Bill No. 6021 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Benton, Ranking Minority Member; Fain, Haugen, Keiser and Litzow.

**Staff:** Edward Redmond (786-7471)

**Background:** In 2006 legislation was passed in response to the Office of Insurance Commissioner's 2005 feasibility study analyzing whether air ambulance services should be regulated as insurers or whether an alternative consumer protection method should be established for subscribers of air ambulance services. SB 6231 clarified that a private air ambulance service provider that solicits and accepts membership subscriptions, charges fees, and provides services is not considered to be an insurer under Washington's Insurance Code if the service meets licensure and aeromedical transport services criteria, has been in operation in Washington for a minimum of two years, and submits evidence of compliance with the Office of Insurance Commissioner.

At present, it is unclear whether subscription services that provide rescue, evacuation, emergency transport, and crisis management and consulting services related to an emergency should be regulated as insurers or whether an alternative consumer protection method should be established for subscribers of such services.

**Summary of Bill (Recommended Substitute):** A subscription service that provides rescue, evacuation, emergency transport, and crisis management and consulting services related to an

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emergency is not an insurer as defined by statute. If applicable, the subscription service must either fulfill the licensing requirements within the jurisdiction in which services are rendered or contract with a service provider that has satisfied such licensure requirements. A service provider must satisfy the statutory private air ambulance licensure and accreditation requirements prior to providing air ambulance services within the state. The subscription service is only valid to residents of the state when traveling more than one hundred miles away from home. A subscription service is not required to own the means of transportation used to provide such services.

**EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, HOUSING & INSURANCE COMMITTEE (Recommended Substitute):** Limits the subscription service to those instances when a person is traveling more than one hundred miles away from home.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The reason for bill is to find a regulatory safe harbor for these types of air rescue and evacuation services. The OIC has taken the position that these types of services, based on their contracts and current law, are insurance products. Currently, litigation is pending so that this issue can be addressed legislatively. There is no change to the existing air ambulance service statutes. The organizations are almost facing the identical situation air ambulance services were in five years ago when the legislature created a safe harbor for that activity. If the bill does not pass, people will not be able to use these services when they traveling abroad.

OTHER: The Washington Ambulance Association has moved from opposed to concerned because the language in the bill expands the type of emergency transportation that can currently be used. If the current language is limited to authorizing such services only while traveling abroad and not domestically, it would be better.

**Persons Testifying:** PRO: Mel Sorenson, Global Rescue, Medical Air Service Association.

OTHER: Kathy Swenson, Washington Ambulance Association.