

school district. All contracts for insurance or protection written to take advantage of the provisions of this section shall provide that the beneficiaries of such contracts may utilize on an equal participation basis the services of those practitioners licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57 and 18.71 RCW.

Sec. 9. Section .01.05, chapter 79, Laws of 1947 as last amended by section 13, chapter 256, Laws of 1979 ex. sess. and RCW 48.01.050 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, as defined in RCW 70.39.020(3), which 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 shall not be deemed an "insurer" under this code. Two or more local governmental entities, as defined in RCW 48.62.020, which pursuant to RCW 48.62.040, section 3 of this 1985 act, or any other provision of law join together and organize to form an organization for the purpose of jointly self-insuring or self-funding shall not be deemed an "insurer" under this code.

NEW SECTION. Sec. 10. This act applies retrospectively to group self-funded plans formed on or after January 1, 1983.

Passed the House March 19, 1985.

Passed the Senate April 18, 1985.

Approved by the Governor May 13, 1985.

Filed in Office of Secretary of State May 13, 1985.

CHAPTER 278

[Substitute Senate Bill No. 3332]

SCHOOL DISTRICTS AND EDUCATIONAL SERVICE DISTRICTS—JOINT SELF-INSURANCE—AUTHORITY MODIFIED

AN ACT Relating to local school district and educational service district insurance transactions; and amending RCW 48.62.040.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 4, chapter 256, Laws of 1979 ex. sess. and RCW 48.62.040 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the governing body of any one or more local governmental entities may, as an alternative or in addition to exercising any one or more of the powers granted in RCW 48.62.030 and 36.16.138, as now or hereafter amended, or any other provision of law, form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or

contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services(~~(-PROVIDED, That)~~).

(2)(a) No organization of local governmental entities, other than local school districts and educational service districts, that is organized under ((RCW 48.62.040)) this section for the purpose of self-insuring shall provide any self-insurance other than liability insurance. For purposes of this section, liability insurance shall include but not be limited to coverage for claims arising from the tortious or negligent conduct of the local government entity, its officers, employees, or agents thereof, or any error or omission on the part of said local government entity, its officers, employees or agents thereof as a result of which a claim may be made against the local government entity.

(b) Local school districts and educational service districts may not organize under this section for the purpose of providing joint self-insured life, health, health care, accident, disability and salary protection or insurance, or any combination thereof, to the district employees, students, directors, or any of their dependents.

(3) The agreement to form such a pooling arrangement shall be made under chapter 39.34 RCW. Any pool or organization authorized to be formed by this section shall be subject to audit by the state auditor.

Passed the Senate April 15, 1985.

Passed the House April 9, 1985.

Approved by the Governor May 13, 1985.

Filed in Office of Secretary of State May 13, 1985.

CHAPTER 279

[Engrossed Substitute House Bill No. 204]
PAROLE BOARD PHASE-OUT DELAYED

AN ACT Relating to the board of prison terms and paroles; amending RCW 9.95.009; creating a new section; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 24, chapter 137, Laws of 1981 as amended by section 8, chapter 192, Laws of 1982 and RCW 9.95.009 are each amended to read as follows:

(1) On July 1, 1988, the board of prison terms and paroles shall cease to exist. Prior to that time, the board's membership shall be reduced as follows: (a) On July 1, ((1985)) 1986, the board shall be reduced to five members. This reduction shall take place by the expiration, on that date, of the two terms having the least time left to serve. (b) On July 1, ((1986)) 1987, the board shall be reduced to three members. This reduction shall