

**FILED**

**Jane Dee Hull  
Secretary of State**

State of Arizona  
House of Representatives  
Forty-second Legislature  
Second Regular Session  
1996

CHAPTER 219

**HOUSE BILL 2236**

AN ACT

AMENDING SECTION 20-448, ARIZONA REVISED STATUTES; RELATING TO UNFAIR DISCRIMINATION BY INSURERS.

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 20-448, Arizona Revised Statutes, is amended to  
3 read:  
4 20-448. Unfair discrimination  
5 A. No person shall make or permit any unfair discrimination between  
6 individuals of the same class and equal expectation of life in the rates  
7 charged for any contract of life insurance or of life annuity or in the  
8 dividends or other benefits payable thereon, or in any other of the terms and  
9 conditions of the contract.  
10 B. No person shall make or permit any unfair discrimination respecting  
11 hemophiliacs or between individuals of the same class and of essentially the  
12 same hazard in the amount of premium, policy fees or rates charged for any  
13 policy or contract of disability insurance or in the benefits payable  
14 thereunder, or in any of the terms or conditions of the contract, or in any  
15 other manner whatever. The provisions of this subsection regarding  
16 hemophiliacs shall not apply to any policy or subscription contract which  
17 provides only benefits for specific diseases or for accidental injuries or  
18 which provides only indemnity for blood transfusion services or replacement  
19 of whole blood products, fractions or derivatives.  
20 C. As to kinds of insurance other than life and disability, no person  
21 shall make or permit any unfair discrimination in favor of particular  
22 persons, or between insureds or subjects of insurance having substantially  
23 like insuring, risk and exposure factors, or expense elements, in the terms  
24 or conditions of any insurance contract, or in the rate or amount of premium

1 charged therefor. This subsection shall not apply as to any premium or  
2 premium rate in effect pursuant to chapter 2, article 4 of this title (rate  
3 laws, fire and casualty).

4 D. No insurer shall refuse to consider an application for life or  
5 disability insurance on the basis of a genetic condition, developmental delay  
6 or developmental disability.

7 E. The rejection of an application or the determining of rates, terms  
8 or conditions of a life or disability insurance contract on the basis of a  
9 genetic condition, developmental delay or developmental disability  
10 constitutes unfair discrimination, unless the applicant's medical condition  
11 and history and either claims experience or actuarial projections establish  
12 that substantial differences in claims are likely to result from the genetic  
13 condition, developmental delay or developmental disability.

14 F. AN INSURER THAT OFFERS LIFE OR DISABILITY INSURANCE CONTRACTS SHALL  
15 NOT DENY, DENY A CLAIM INCURRED, REFUSE, REFUSE TO RENEW, RESTRICT, CANCEL,  
16 EXCLUDE OR LIMIT COVERAGE OR CHARGE A DIFFERENT RATE FOR THE SAME COVERAGE  
17 ON THE BASIS THAT THE INSURED OR PROPOSED INSURED IS OR HAS BEEN A VICTIM OF  
18 DOMESTIC VIOLENCE. IF AN INSURER THAT OFFERS LIFE OR DISABILITY INSURANCE  
19 CONTRACTS DENIES, DENIES A CLAIM INCURRED, REFUSES, REFUSES TO RENEW,  
20 RESTRICTS, CANCELS, EXCLUDES OR LIMITS COVERAGE OR CHARGES A DIFFERENT RATE  
21 FOR THE SAME COVERAGE ON THE BASIS OF A MENTAL OR PHYSICAL CONDITION AND THE  
22 INSURED OR THE PROPOSED INSURED IS OR HAS BEEN A VICTIM OF DOMESTIC VIOLENCE,  
23 THE INSURER SHALL SUBMIT A WRITTEN EXPLANATION TO THE INSURED OR PROPOSED  
24 INSURED OF THE REASONS FOR THE INSURER'S ACTIONS, IN ACCORDANCE WITH SECTION  
25 20-2110. THE FACT THAT AN INSURED OR PROPOSED INSURED IS OR HAS BEEN THE  
26 VICTIM OF DOMESTIC VIOLENCE IS NOT A MENTAL OR PHYSICAL CONDITION. NOTHING  
27 CONTAINED IN THIS SUBSECTION IS INTENDED TO PROVIDE ANY PRIVATE RIGHT OR  
28 CAUSE OF ACTION TO OR ON BEHALF OF ANY APPLICANT OR INSURED. IT IS THE  
29 SPECIFIC INTENT OF THIS SUBSECTION TO PROVIDE SOLELY AN ADMINISTRATIVE REMEDY  
30 TO THE DIRECTOR FOR ANY VIOLATION OF THIS SECTION. NOTHING IN THIS  
31 SUBSECTION PREVENTS AN INSURER FROM REFUSING TO ISSUE A LIFE INSURANCE POLICY  
32 INSURING A PERSON WHO HAS BEEN THE VICTIM OF DOMESTIC VIOLENCE IF EITHER OF  
33 THE FOLLOWING IS TRUE:

34 1. THE FAMILY OR HOUSEHOLD MEMBER WHO COMMITS THE ACT OF DOMESTIC  
35 VIOLENCE IS THE APPLICANT FOR OR PROSPECTIVE OWNER OF THE POLICY OR WOULD BE  
36 THE BENEFICIARY OF THE POLICY AND ANY OF THE FOLLOWING IS TRUE:

37 (a) THE APPLICANT OR PROSPECTIVE BENEFICIARY OF THE POLICY IS KNOWN,  
38 ON THE BASIS OF POLICE OR COURT RECORDS, TO HAVE COMMITTED AN ACT OF DOMESTIC  
39 VIOLENCE.

40 (b) THE INSURER HAS KNOWLEDGE OF AN ARREST OR CONVICTION FOR A  
41 DOMESTIC VIOLENCE RELATED OFFENSE BY THE FAMILY OR HOUSEHOLD MEMBER.

42 (c) THE INSURANCE COMPANY HAS OTHER REASONABLE GROUNDS TO BELIEVE, AND  
43 THOSE GROUNDS ARE CORROBORATED, THAT THE APPLICANT OR PROPOSED BENEFICIARY

1 OF A POLICY IS A FAMILY OR HOUSEHOLD MEMBER COMMITTING ACTS OF DOMESTIC  
2 VIOLENCE.

3 2. THE APPLICANT OR PROSPECTIVE OWNER OF THE POLICY LACKS AN INSURABLE  
4 INTEREST IN THE INSURED.

5 G. NOTHING IN SUBSECTION F OF THIS SECTION PREVENTS AN INSURER THAT  
6 OFFERS LIFE OR DISABILITY INSURANCE CONTRACTS FROM UNDERWRITING COVERAGE ON  
7 THE BASIS OF AN INSURED'S OR PROPOSED INSURED'S MENTAL OR PHYSICAL CONDITION  
8 IF THE UNDERWRITING:

9 1. DOES NOT CONSIDER WHETHER OR NOT THE MENTAL OR PHYSICAL CONDITION  
10 WAS CAUSED BY AN ACT OF DOMESTIC VIOLENCE.

11 2. IS THE SAME FOR AN INSURED OR PROPOSED INSURED WHO IS NOT THE  
12 VICTIM OF DOMESTIC VIOLENCE AS IT IS FOR AN INSURED OR PROPOSED INSURED WHO  
13 IS THE VICTIM OF DOMESTIC VIOLENCE.

14 3. DOES NOT VIOLATE ANY OTHER RULE OR LAW.

15 ~~F~~ H. As used in this section:

16 1. "Developmental delay" means a delay of at least one and one-half  
17 standard deviations from the norm.

18 2. "Developmental disability" is as defined in section 36-551.

19 3. "DOMESTIC VIOLENCE" MEANS CAUSING OR ATTEMPTING TO CAUSE BODILY  
20 INJURY, SERIOUS EMOTIONAL INJURY OR PSYCHOLOGICAL TRAUMA TO A FAMILY OR  
21 HOUSEHOLD MEMBER OR PLACING A FAMILY OR HOUSEHOLD MEMBER BY THREAT OR FORCE  
22 IN FEAR OF IMMINENT PHYSICAL HARM.

23 4. "FAMILY OR HOUSEHOLD MEMBER" MEANS A SPOUSE OR FORMER SPOUSE,  
24 PARENT, CURRENT OR FORMER INTIMATE PARTNER, CARE GIVER, CHILD OR ANY OTHER  
25 ADULT WHO IS RELATED BY CONSANGUINITY OR AFFINITY, WHO IS RESIDING OR HAS  
26 RESIDED OR WHO HAS A CHILD OR CHILDREN IN COMMON WITH THE PERSON COMMITTING  
27 THE DOMESTIC VIOLENCE AND DEPENDENTS OF THESE PERSONS.

28 ~~3~~ 5. "Genetic condition" means a specific chromosomal or single-gene  
29 genetic condition.

APPROVED BY THE GOVERNOR APRIL 19, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 22, 1996