

State of Arizona
House of Representatives
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1996

FILED

Jane Dee Hull
Secretary of State

CHAPTER 43
HOUSE BILL 2381

AN ACT

AMENDING SECTIONS 20-229 AND 20-303, ARIZONA REVISED STATUTES; RELATING TO POLICIES OR CONTRACTS FOR INSURANCE.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-229, Arizona Revised Statutes, is amended to
3 read:

4 20-229. Countersignature of agent or broker; exceptions

5 A. No authorized insurer shall issue a policy covering a subject of
6 insurance resident, located, or to be performed in this state unless the
7 policy or countersignature endorsement attached thereto is countersigned by
8 its licensed service representative, managing general agent or licensed
9 agent, ~~resident in this state.~~

10 B. A LICENSED AGENT, BROKER, SERVICE REPRESENTATIVE OR MANAGING
11 GENERAL AGENT WHO IS A LEGAL RESIDENT OF THIS STATE SHALL COUNTERSIGN ALL
12 POLICIES OR CONTRACTS FOR INSURANCE SOLICITED BY A NONRESIDENT AGENT OR
13 BROKER IN THIS STATE IF THE STATE OF RESIDENCE OF THE NONRESIDENT AGENT OR
14 BROKER REQUIRES A COUNTERSIGNATURE ON POLICIES OR CONTRACTS SOLICITED BY
15 RESIDENTS OF THIS STATE.

16 ~~B.~~ C. ~~Subsection~~ SUBSECTIONS A AND B shall not apply to:

- 17 1. Reinsurance, or ~~to~~ life, disability or title insurances.
18 2. Insurance of the rolling stock, vessels or aircraft of any common
19 carrier in interstate or foreign commerce, or of any vehicle principally
20 garaged and used in another state or covering any liability or other risks
21 incident to the ownership, maintenance or operation thereof.
22 3. Insurance of property in the course of transportation interstate
23 or in foreign trade, or any liability or risk incident thereto.

1 4. Insurance of ocean marine risks.

2 5. Policies, ~~with respect to countersignature,~~ issued through salaried
3 agents or issued by insurers not using agents in the general solicitation of
4 business.

5 6. Bid bonds issued by any surety insurer in connection with any
6 public or private contracts.

7 ~~C.~~ D. A violation of this section shall not invalidate the policy.

8 ~~D.~~ E. The countersignature that is required under ~~subsection~~
9 SUBSECTIONS A OR B may be made by a facsimile signature or other printed or
10 reproduced signature and shall be presumed to be the authorized signature of
11 the person.

12 Sec. 2. Section 20-303, Arizona Revised Statutes, is amended to read:

13 20-303. Licensing of nonresident agents and brokers

14 A. The director may license as an agent or, with respect to other than
15 life and disability insurers only or either, as broker an individual who is
16 otherwise qualified therefor but who is not a resident of this state, if
17 pursuant to the laws of the state of his residence or domicile a similar
18 privilege is extended to individuals resident or domiciled in this state.

19 B. A nonresident licensee shall not have the right to solicit Arizona
20 business in this state unless pursuant to reciprocal arrangements therefor
21 made by the director with the insurance supervisory official of the
22 licensee's state of residence or domicile. The license shall state the
23 restrictions applicable thereto pursuant to this ~~provision~~ SUBSECTION.

24 C. By reciprocal agreement with the insurance supervisory official of
25 such other state, the director may waive written examination of an applicant
26 for such a license if such official certifies that the applicant is licensed
27 in such state as such agent or broker, as the case may be, and has complied
28 with its qualification standards therefor, except that no such waiver shall
29 be made with respect to examination as to a license to cover only life and
30 disability insurance or either, unless such official certifies that the
31 applicant has passed a written examination for his license in such state, or
32 held such license prior to the time a written examination was required.

33 D. A nonresident agent ~~shall not sign or~~ MAY countersign policies
34 ~~covering subjects of insurance located or to be performed in this state~~
35 PURSUANT TO SECTION 20-229.

36 E. Such a nonresident licensee shall be subject to this title as
37 though licensed as a resident, except as otherwise provided.

38 F. With respect to other than life and disability insurers only or
39 either, a nonresident licensee shall neither possess any direct or indirect
40 pecuniary interest in any insurance agent, broker, insurance agency or
41 solicitor having a resident license in this state nor shall a nonresident
42 licensee establish or maintain any office or place of business in his home
43 or with a resident agent, broker, agency or solicitor or otherwise in this
44 state.