

Senate Engrossed House Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

CHAPTER 113

# **HOUSE BILL 2139**

AN ACT

AMENDING SECTION 20-450, ARIZONA REVISED STATUTES; RELATING TO INSURANCE PRACTICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-450, Arizona Revised Statutes, is amended to  
3 read:

4 20-450. Practices not prohibited as discrimination or rebates  
5 in life and disability insurance

6 A. Nothing in ~~sections~~ SECTION 20-448 or 20-449 shall be construed as  
7 including within the definition of discrimination or rebates any of the  
8 following practices:

9 1. In the case of any contract of life insurance or life annuity,  
10 paying bonuses to policyholders or otherwise abating their premiums in whole  
11 or part out of surplus accumulated from nonparticipating insurance, but any  
12 such bonuses or abatement of premiums shall be fair and equitable to  
13 policyholders and for the best interests of the insurer and its  
14 policyholders.

15 2. In the case of life insurance policies issued on the industrial  
16 debit plan, making allowance to policyholders who have continuously for a  
17 specified period made premium payments directly to an office of the insurer  
18 in an amount which fairly represents the saving in collection expense.

19 3. Readjustment of the rate of premium for a group insurance policy  
20 based on the loss or expense experience thereunder, at the end of the first  
21 or any subsequent policy year of insurance thereunder, which may be made  
22 retroactive only for such policy year.

23 4. Issuing life or disability policies on a salary savings or payroll  
24 deduction plan at a reduced rate commensurate with the savings made by the  
25 use of such plan.

26 B. SECTION 20-448 OR 20-452 DOES NOT PROHIBIT ANY PERSON FROM  
27 PROVIDING OR OFFERING TO PROVIDE:

28 1. IN THE CASE OF GROUP DISABILITY INSURANCE, REWARDS OR INCENTIVES  
29 UNDER A WELLNESS PROGRAM THAT SATISFIES THE REQUIREMENTS FOR AN EXCEPTION  
30 FROM THE GENERAL PROHIBITION AGAINST DISCRIMINATION BASED ON A HEALTH FACTOR  
31 UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (P.L.  
32 104-191; 110 STAT. 1936), INCLUDING ANY FEDERAL REGULATIONS THAT ARE ADOPTED  
33 PURSUANT TO THAT ACT.

34 2. IN THE CASE OF INDIVIDUAL DISABILITY INSURANCE, REWARDS OR  
35 INCENTIVES UNDER A WELLNESS PROGRAM THAT SATISFIES THE EQUIVALENT OF THE  
36 REQUIREMENTS FOR AN EXCEPTION FROM THE GENERAL PROHIBITION AGAINST  
37 DISCRIMINATION BASED ON A HEALTH FACTOR UNDER THE HEALTH INSURANCE  
38 PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (P.L. 104-191; 110 STAT. 1936),  
39 INCLUDING ANY FEDERAL REGULATIONS THAT ARE ADOPTED PURSUANT TO THAT ACT.

APPROVED BY THE GOVERNOR APRIL 24, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2007.



HOUSE CONCURS IN SENATE  
AMENDMENTS AND FINAL PASSAGE

\_\_\_\_\_ April 18, 2007,

by the following vote: \_\_\_\_\_ 58 Ayes,

\_\_\_\_\_ 0 Nays, \_\_\_\_\_ 2 Not Voting



Speaker of the House



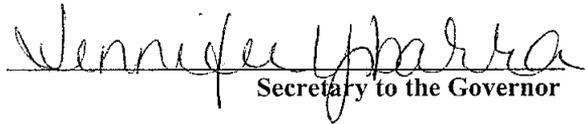
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

\_\_\_\_\_ 18th day of April, 2007,

at \_\_\_\_\_ 12:01 o'clock \_\_\_\_\_ P. M.



Secretary to the Governor

Approved this \_\_\_\_\_ 24 \_\_\_\_\_ day of

\_\_\_\_\_ April \_\_\_\_\_, 2007,

at \_\_\_\_\_ 9:40 o'clock \_\_\_\_\_ A. M.



Governor of Arizona

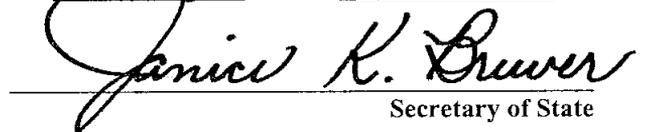
H.B. 2139

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this \_\_\_\_\_ 24 day of \_\_\_\_\_ April, 2007,

at \_\_\_\_\_ 11:30 o'clock \_\_\_\_\_ A. M.



Secretary of State