

Senate Engrossed House Bill

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

CHAPTER 152

HOUSE BILL 2534

AN ACT

AMENDING SECTION 20-1110, ARIZONA REVISED STATUTES; RELATING TO INSURANCE
CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-1110, Arizona Revised Statutes, is amended to
3 read:

4 20-1110. Approval of forms

5 A. Any life or disability insurance policy form, life or disability
6 insurance application form where written application is required and is to be
7 made a part of the policy and printed rider or endorsement form, shall not
8 be delivered or issued for delivery in this state by a life or disability
9 insurer unless it has been filed with and approved by the director. The
10 director may also require that proof of death or loss forms shall be filed
11 with and approved by the director.

12 B. This section shall not apply to policies, riders, endorsements or
13 forms of unique character designed and used for insurance on a particular
14 subject, or that relate to the manner of distribution of benefits or to the
15 reservation of rights and benefits under life or disability insurance
16 policies, and are used at the request of the individual policyholder,
17 contract holder or certificate holder.

18 C. Every filing shall be made not less than thirty days in advance of
19 any delivery. The form is approved thirty days after filing unless the
20 director has, within the thirty day period, HAS issued an order affirmatively
21 approving or disapproving the form. The director may extend by not more than
22 an additional fifteen days the period for review of the form, by giving
23 notice of the extension before expiration of the initial thirty day period.
24 The director may at any time, after notice and for cause shown, withdraw the
25 director's approval. THIS SUBSECTION ALSO APPLIES TO CONTRACTS AND POLICY
26 FORMS FILED WITH THE DEPARTMENT UNDER SECTION 20-826, SUBSECTION A BY A
27 CORPORATION HOLDING A CERTIFICATE OF AUTHORITY UNDER CHAPTER 4, ARTICLE 3 OF
28 THIS TITLE. THIS SUBSECTION DOES NOT APPLY TO CONTRACTS OR POLICY FORMS
29 ISSUED BY A HOSPITAL SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR
30 HOSPITAL AND MEDICAL SERVICE CORPORATION PURSUANT TO SECTION 20-1063.

31 D. Any order of the director disapproving the form or withdrawing a
32 previous approval shall state the reasons for the action.

33 E. A life or disability insurer shall not issue or deliver any
34 advertising matter or sales material to any person in this state until the
35 life or disability insurer files the advertising matter or sales material
36 with the director. This subsection does not require a life or disability
37 insurer to have the prior approval of the director to issue or deliver the
38 advertising matter or sales material. If the director finds that the
39 advertising matter or sales material, in whole or in part, is false,
40 deceptive or misleading, the director may issue an order disapproving the
41 advertising matter or sales material, directing the life or disability
42 insurer to cease and desist from issuing, circulating, displaying or using
43 the advertising matter or sales material within a period of time specified by
44 the director but not less than ten days and imposing any penalties prescribed
45 in this title. At least five days before issuing an order pursuant to this

1 subsection, the director shall provide the life or disability insurer with a
2 written notice of the basis of the order to provide the life or disability
3 insurer with an opportunity to cure the alleged deficiency in the advertising
4 matter or sales material within a single five day period for the particular
5 advertising matter or sales material at issue. The life or disability insurer
6 may appeal the director's order pursuant to title 41, chapter 6, article 10.
7 Except as otherwise provided in this subsection, a life or disability insurer
8 may obtain a stay of the effectiveness of the order as prescribed in section
9 20-162. If the director certifies in the order and provides a detailed
10 explanation of the reasons in support of the certification that continued use
11 of the advertising matter or sales material poses a threat to the health,
12 safety or welfare of the public, the order may be entered immediately without
13 opportunity for cure and the effectiveness of the order is not stayed pending
14 the hearing on the notice of appeal but the hearing shall be promptly
15 instituted and determined.

16 F. The director may, by order, MAY exempt from the requirements of
17 this section for so long as the director deems proper any insurance document
18 or form as specified in the order, to which, in the director's opinion, this
19 section may not practicably be applied, or the filing and approval of which
20 are, in the director's opinion, not desirable or necessary for the protection
21 of the public.

22 G. This section shall apply also to any form used by domestic insurers
23 for delivery in a jurisdiction outside this state, if the insurance
24 supervisory official of that jurisdiction informs the director that the form
25 is not subject to approval or disapproval by that official, and on the
26 director's order requiring the form to be submitted to the director for the
27 purpose. The applicable same standards shall apply to these forms as apply
28 to forms for domestic use.

29 Sec. 2. Retroactivity

30 Section 20-1110, Arizona Revised Statutes, as amended by this act, is
31 effective retroactively to from and after March 31, 2013.

~~APPROVED BY THE GOVERNOR APRIL 29, 2013.~~

~~FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2013.~~

Passed the House February 25, 2013

Passed the Senate April 10, 2013

by the following vote: 60 Ayes,

by the following vote: 27 Ayes,

0 Nays, 0 Not Voting

0 Nays, 3 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

~~This Bill received by the Governor this
_____ day of _____, 20____
at _____ o'clock _____ M.

Secretary to the Governor~~

~~Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona~~

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

~~This Bill received by the Secretary of State
this _____ day of _____, 20____
at _____ o'clock _____ M.

Secretary of State~~

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 18, 2013,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting



Speaker of the House

Cheryl Laube
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

25 day of April, 2013,

at 3:30 o'clock P M.

Michaëla Howard
Secretary to the Governor

Approved this 29th day of

April, 2013

at 3:26 o'clock P M.

Janice K. Brewer
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30th day of April, 2013,

at 9:35 o'clock P M.

Ken Blumett
Secretary of State

H.B. 2534