

House Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

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

CHAPTER 96

HOUSE BILL 2357

AN ACT

AMENDING SECTION 20-465, ARIZONA REVISED STATUTES; RELATING TO THE
TRANSACTION OF INSURANCE BUSINESS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-465, Arizona Revised Statutes, is amended to
3 read:

4 20-465. Fees; deposits; exception

5 A. An insurer and insurance producer shall not charge or receive any
6 fee or service charge in addition to the premium charged for services
7 customarily provided in the transaction of insurance for motor vehicle
8 insurance policies that insure six or fewer motor vehicles.

9 B. An insurer and insurance producer may charge and receive a fee for
10 services not customarily provided in the transaction of insurance if the fee
11 is filed with the director and the following conditions exist:

12 1. The services performed by the insurer or insurance producer are in
13 excess of those normally performed for insureds.

14 2. The service charge and the specific services for which the charge
15 is made are disclosed and agreed to in writing by the insured on a form that
16 is approved by the director.

17 3. The amount of the service charge is reasonably related to the cost
18 of the service performed.

19 C. After notice and a hearing, the director shall prescribe the
20 services that are customarily provided in the transaction of insurance.

21 D. If after an examination and a hearing the director determines that
22 an insurer or insurance producer has violated subsection A of this section,
23 the director may order the insurer or insurance producer to refund the fee or
24 that part of the fee that the director determines was excessive and may
25 impose civil penalties as set forth in section 20-456. The insurer or
26 insurance producer shall pay the costs of the examination from monies
27 deposited with the director pursuant to section 20-159 regardless of the
28 findings of the examination.

29 E. ~~Nothing in~~ This section prohibits DOES NOT PROHIBIT fees, including
30 membership fees charged by a reciprocal or mutual insurer, if the fees are
31 filed with the director and are included by an insurer in supplemental rate
32 information.

33 F. THIS SECTION DOES NOT APPLY TO INSURERS AND INSURANCE PRODUCERS
34 TRANSACTING COMMERCIAL INSURANCE. FOR THE PURPOSES OF THIS SUBSECTION,
35 "COMMERCIAL INSURANCE" MEANS INSURANCE THAT INSURES AGAINST THE RISKS
36 RESULTING FROM THE RESPONSIBILITIES OR ACTIVITIES OF ONE OR MORE BUSINESSES,
37 INCLUDING MOTOR VEHICLE INSURANCE POLICIES INSURING SEVEN OR MORE MOTOR
38 VEHICLES.

APPROVED BY THE GOVERNOR APRIL 11, 2013.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 11, 2013.

Passed the House February 13, 2013

Passed the Senate April 8, 2013

by the following vote: 59 Ayes,

by the following vote: 28 Ayes,

0 Nays, 1 Not Voting

0 Nays, 2 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

9 day of April, 2013

at 2:50 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 114 day of

April

at 11:49 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 11th day of April, 2013

at 4:34 o'clock P M.

[Signature]
Secretary of State