

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 117

House Engrossed
FILED
MICHELE REAGAN
SECRETARY OF STATE

HOUSE BILL 2342

AN ACT

AMENDING TITLE 20, CHAPTER 2, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-423; RELATING TO UNAUTHORIZED INSURERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 20, chapter 2, article 5, Arizona Revised Statutes,
3 is amended by adding section 20-423, to read:

4 20-423. Voluntary domestic organization of surplus lines
5 brokers; membership; stamping fee collection;
6 meetings; definition

7 A. A VOLUNTARY DOMESTIC ORGANIZATION OF SURPLUS LINES BROKERS THAT
8 CONTRACTS WITH THE DIRECTOR PURSUANT TO SECTION 20-167, SUBSECTION G SHALL BE
9 INCORPORATED IN THIS STATE AS A NONPROFIT CORPORATION. A SURPLUS LINES
10 BROKER WHO IS LICENSED AND IN GOOD STANDING IN THIS STATE MAY BE A MEMBER IN
11 THE ORGANIZATION IF THE BROKER PAYS ANY REQUIRED MEMBERSHIP FEE AND DUES
12 REQUIRED TO BE PAID BY ALL MEMBERS.

13 B. THE ORGANIZATION MAY COLLECT STAMPING FEES PURSUANT TO SECTION
14 20-167 FROM ANY OF THE FOLLOWING:

15 1. A MEMBER OF THE ORGANIZATION.

16 2. A LICENSED SURPLUS LINES BROKER WHO IS NOT A MEMBER OF THE
17 ORGANIZATION.

18 3. A PERSON WHO IS NO LONGER A LICENSED SURPLUS LINES BROKER IF THE
19 STAMPING FEE IS PAID IN CONNECTION WITH TRANSACTIONS THAT THE PERSON
20 EFFECTUATED WHILE LICENSED AS A SURPLUS LINES BROKER.

21 C. THE ORGANIZATION SHALL HOLD AN ANNUAL MEETING OF ITS MEMBERS AND
22 MAY HOLD SPECIAL MEETINGS OF ITS MEMBERS. MEMBERS MAY PARTICIPATE IN ANNUAL
23 AND SPECIAL MEMBER MEETINGS THROUGH THE USE OF ANY MEANS OF COMMUNICATION IF
24 THE COMMUNICATION ALLOWS ALL MEMBERS PARTICIPATING IN THE MEETING TO
25 SIMULTANEOUSLY HEAR EACH OTHER DURING THE MEETING AND THE ORGANIZATION
26 PROVIDES A MEETING NOTICE THAT SPECIFIES HOW MEMBERS CAN PARTICIPATE. ANY
27 MEMBER PARTICIPATING BY THIS ALTERNATE MEANS OF COMMUNICATION IS DEEMED TO BE
28 PRESENT IN PERSON AT THE MEETING FOR PURPOSES OF DETERMINING A QUORUM AND
29 VOTING AND FOR ANY OTHER PURPOSE AUTHORIZED OR REQUIRED BY LAW.

30 D. TWO PERCENT OF THE TOTAL MEMBERSHIP OF THE ORGANIZATION PRESENT IN
31 PERSON OR BY PROXY AND ENTITLED TO VOTE AT A MEETING CONSTITUTES A QUORUM FOR
32 THE TRANSACTION OF BUSINESS AT THE MEETING.

33 E. FOR THE PURPOSES OF THIS SECTION, "STAMPING FEE" HAS THE SAME
34 MEANING PRESCRIBED IN SECTION 20-167.

APPROVED BY THE GOVERNOR MARCH 30, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 31, 2015.

Passed the House February 19, 2015

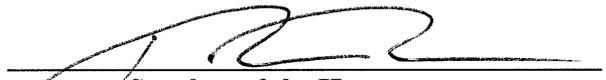
Passed the Senate March 23, 2015

by the following vote: 57 Ayes,

by the following vote: 28 Ayes,

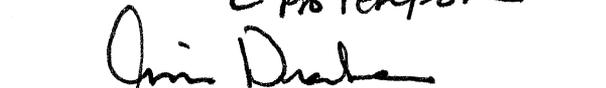
0 Nays, 3 Not Voting

0 Nays, 2 Not Voting

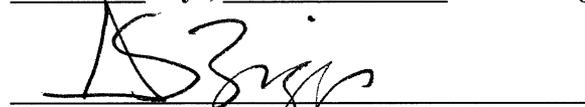


Speaker of the House

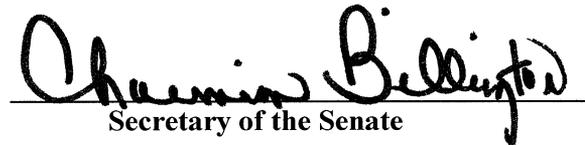
Pro Tempore



Chief Clerk of the House



President of the Senate



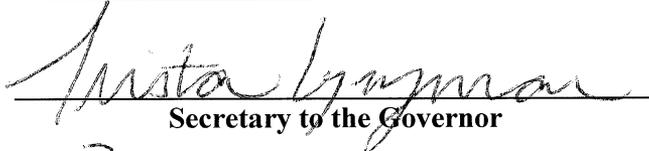
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

24th day of March, 20 15

at 12:16 o'clock P. M.

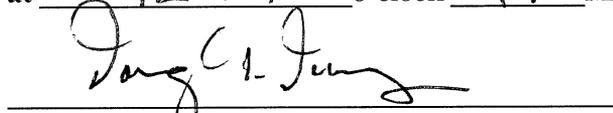


Secretary to the Governor

Approved this 30th day of

March

at 12:59 o'clock P. M.



Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 31st day of March, 20 15

at 10:00 o'clock A M.



Secretary of State

H.B. 2342