

House Engrossed

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

CHAPTER 101

# **HOUSE BILL 2342**

AN ACT

AMENDING SECTIONS 20-229, 20-286 AND 20-1693, ARIZONA REVISED STATUTES;  
REPEALING SECTION 20-2405, ARIZONA REVISED STATUTES; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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. Insurance producer; identification; exceptions  
5 A. An authorized insurer shall not issue a policy covering a subject  
6 of insurance resident, located or to be performed in this state unless the  
7 policy ~~or countersignature endorsement attached to the policy is~~  
8 ~~countersigned by its licensed insurance producer or bail bond agent, as~~  
9 ~~applicable~~ DECLARATION PAGE OR ENDORSEMENT IDENTIFIES THE NAME OF THE  
10 PRODUCER LICENSED FOR THAT LINE OF AUTHORITY IN THIS STATE.

11 B. Subsection A of this section does not apply to:  
12 1. Reinsurance or life, disability or title insurance.  
13 2. Insurance of the rolling stock, vessels or aircraft of any common  
14 carrier in interstate or foreign commerce, or of any vehicle principally  
15 garaged and used in another state or covering any liability or other risks  
16 incident to the ownership, maintenance or operation thereof.  
17 3. Insurance of property in the course of transportation interstate or  
18 in foreign trade, or any liability or risk incident thereto.  
19 4. Insurance of ocean marine risks.  
20 5. Policies issued through salaried insurance producers or issued by  
21 insurers not using insurance producers in the general solicitation of  
22 business.

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

25 7. Policies issued by a vending machine pursuant to section 20-293.

26 C. A violation of this section shall not invalidate the policy.

27 ~~D. The countersignature that is required under subsection A of this~~  
28 ~~section may be made by a facsimile signature or other printed or reproduced~~  
29 ~~signature and shall be presumed to be the authorized signature of the person.~~

30 Sec. 2. Section 20-286, Arizona Revised Statutes, is amended to read:

31 20-286. Licensure; lines of authority

32 A. Unless the director denies a license pursuant to section 20-295,  
33 the director shall issue a resident insurance producer license to any person  
34 who meets the requirements prescribed in sections 20-284 and 20-285. An  
35 insurance producer may qualify for a license in one or more of the following  
36 lines of authority:

37 1. Life. Life insurance is coverage on human lives, including  
38 benefits of endowment and annuities, and may include benefits in the event of  
39 death or dismemberment by accident and benefits for disability income.

40 2. Accident and health or sickness. Accident and health or sickness  
41 insurance is coverage for sickness, bodily injury or accidental death and may  
42 include benefits for disability income.

43 3. Property. Property insurance is coverage for the direct or  
44 consequential loss or damage to property of every kind.

1           4. Casualty. Casualty insurance is coverage against legal liability,  
2 including liability for death, injury, disability or damage to real or  
3 personal property.

4           5. Variable life and variable annuity products. Variable life and  
5 variable annuity is insurance coverage that is provided under a variable life  
6 insurance contract or a variable annuity.

7           6. Personal lines. Personal lines is property and casualty insurance  
8 coverage that is sold to individuals and families for primarily noncommercial  
9 purposes.

10          7. Credit. Credit insurance is limited line credit insurance.

11          8. Any other line of insurance allowed under state law or rules  
12 adopted by the director.

13          B. The license shall contain the licensee's name, address and  
14 identification number, the date of issuance, the lines of authority, the  
15 expiration date and any other information the director deems necessary. The  
16 director may make the information prescribed by this section available  
17 electronically.

18          C. A licensee shall inform the director in writing within thirty days  
19 of any change in the licensee's:

20           1. Residential, ~~or~~ business OR E-MAIL address.

21           2. Members, directors, officers or designated producer. The director  
22 may require that a licensee who notifies the director of a change pursuant to  
23 this paragraph submit a full set of fingerprints of each new member,  
24 director, officer or designated producer to the director for the purpose of  
25 obtaining a state and federal criminal records check pursuant to section  
26 41-1750 and Public Law 92-544. The department of public safety may exchange  
27 this fingerprint data with the federal bureau of investigation.

28           3. Name.

29          D. In order to assist in the performance of the director's duties, the  
30 director may contract with a third party to perform any ministerial functions  
31 that are related to producer licensing and that the director deems  
32 appropriate, including the collection of fees.

33          Sec. 3. Section 20-1693, Arizona Revised Statutes, is amended to read:  
34 20-1693. Definitions

35          In this article, unless the context otherwise requires:

36           1. "Customer" means a person who purchases portable electronics or  
37 services.

38           2. "Enrolled customer" means a customer who elects coverage under a  
39 portable electronics insurance policy issued to a vendor of portable  
40 electronics.

41           3. "Location" means any physical location in this state or any  
42 website, call center site or similar location directed to residents of this  
43 state.

1           4. "Portable electronics" means personal, self-contained, easily  
2 carried by an individual, battery-operated electronic communication, viewing,  
3 listening, recording, gaming, computing or global positioning devices,  
4 including cell or satellite phones, pagers, personal global positioning  
5 satellite units, portable computers, portable audio listening devices, video  
6 viewing or recording devices, digital cameras, video camcorders, portable  
7 gaming systems, docking stations, automatic answering devices and other  
8 similar devices and the devices' accessories.

9           5. "Portable electronics insurance":

10           (a) Means insurance providing coverage for the repair or replacement  
11 of portable electronics that may provide coverage for portable electronics  
12 against loss, theft or inoperability, or any combination thereof, due to  
13 mechanical failure, malfunction, damage or other similar causes of loss.

14           (b) Does not include:

15           (i) A service contract under chapter 4, article 11 of this title.

16           (ii) An insurance policy covering a seller's or manufacturer's  
17 obligations under a warranty.

18           (iii) A homeowner's, renter's, private passenger automobile,  
19 commercial multiperil or similar policy.

20           6. "Portable electronics transaction" means either:

21           (a) The sale or lease of portable electronics by a vendor to a  
22 customer.

23           (b) The sale of a service related to the use of portable electronics  
24 by a vendor to a customer.

25           7. "Supervising entity" means a business entity that is a licensed  
26 insurer or insurance producer and that is authorized by an insurer to  
27 supervise the administration of a portable electronics insurance policy.

28           8. "Vendor" means a ~~person~~ BUSINESS in the business of engaging in  
29 portable electronics transactions directly or indirectly.

30           Sec. 4. Repeal

31           Section 20-2405, Arizona Revised Statutes, is repealed.

APPROVED BY THE GOVERNOR APRIL 5, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 6, 2016.

Passed the House February 24, 2016

Passed the Senate March 28, 2016

by the following vote: 58 Ayes,

by the following vote: 29 Ayes,

0 Nays, 2 Not Voting

0 Nays, 1 Not Voting

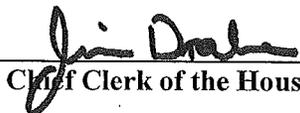


Speaker of the House

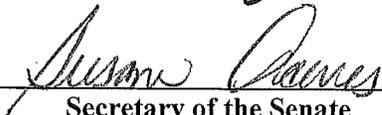
Pro Tempore



President of the Senate



Chief Clerk of the House



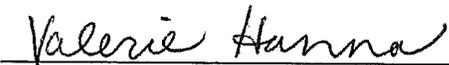
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

30 day of March, 2016

at 11 o'clock A. M.

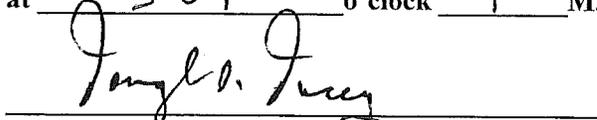


Secretary to the Governor

Approved this 5th day of

April

at 3:09 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 6 day of April, 2016

at 8:26 o'clock A. M.



Secretary of State

H.B. 2342