



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 10, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 10, 2018:

- HB 2173 notice of participation; jurisdictional elections (Coleman)
- HB 2304 public buildings; omnibus (Campbell)
- HB 2449 child care assistance; tiered reimbursement (Udall)
- SB 1008 common schools; average daily membership (Petersen)
- SB 1112 insurance; surplus lines; exemption (Fann)
- SB 1117 liquor establishments; peace officers; firearms (Kavanagh)
- SB 1164 DES; fingerprint card; tax information (Brophy McGee)
- SB 1166 permanent guardianship; subsidy (Brophy McGee)
- SB 1201 county treasurer; electronic records; liens (Worsley)
- SB 1208 ATVs; off-highway vehicles (Pratt)
- SB 1217 insurance; small employers; continuation coverage (Brophy McGee)
- SB 1247 health insurance; mandated provision prohibited (Barto)
- SB 1287 ADOT revisions (Worsley)
- SB 1289 schools; national motto; state motto (Griffin)
- SB 1353 limited liability company act; revisions (Worsley)
- SB 1389 HIV; needs assessment; prevention (Brophy McGee)
- SB 1494 environment; underground injection control program (Griffin)
- SB 1500 employment security; employee; employer; status (Smith)
- SB 1517 state dinosaur; Sonorasaurus (Brophy McGee)

Sincerely,

A handwritten signature in black ink, reading "Douglas A. Ducey". The signature is written in a cursive style with a large initial "D" and a prominent flourish at the end.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 158

SENATE BILL 1112

AN ACT

AMENDING SECTION 20-420, 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 20-420, Arizona Revised Statutes, is amended to
3 read:

4 20-420. Exemptions from surplus lines provisions

5 A. The sections of this article relating to surplus lines coverages
6 do not apply to reinsurance or to the following classes of insurance
7 placed by licensed insurance producers of this state:

8 1. Ocean marine and foreign trade insurance.

9 2. Insurance on subjects THAT ARE located, resident or to be
10 performed wholly outside this state, or on vehicles or aircraft owned and
11 principally garaged outside this state.

12 3. INSURANCE FOR AN INSURED THAT IS A FEDERALLY RECOGNIZED INDIAN
13 TRIBE OR WHO IS A MEMBER OF A FEDERALLY RECOGNIZED INDIAN TRIBE ON
14 SUBJECTS OF INSURANCE THAT ARE LOCATED, RESIDENT OR TO BE PERFORMED WHOLLY
15 WITHIN THE BOUNDARIES OF A FEDERALLY RECOGNIZED INDIAN RESERVATION.

16 ~~3.~~ 4. Insurance on property or operations of railroads engaged in
17 interstate commerce.

18 B. Any insurance producer that places any of the classes of
19 insurance prescribed in subsection A of this section with an unauthorized
20 insurer shall keep a record of each coverage in detail as required of
21 surplus lines insurance pursuant to section 20-414. The insurance
22 producer shall preserve the record for not less than three years after the
23 expiration or cancellation date of the insurance policy and shall make the
24 record available in this state and open to the examination of the
25 director.

APPROVED BY THE GOVERNOR APRIL 10, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 10, 2018

Passed the House April 3, 2018,

Passed the Senate January 29, 2018,

by the following vote: 55 Ayes,

by the following vote: 30 Ayes,

1 Nays, 4 Not Voting

0 Nays, 0 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 was received by the Governor this

4 day of April, 2018,

at 1050 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 10th day of

April, 2018,

at 9:04 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 10 day of April, 2018,

at 3:08 o'clock P. M.

[Signature]
Secretary of State

S.B. 1112