



STATE OF ARIZONA

DOUGLAS A. DUCEY  
GOVERNOR

OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

June 5, 2020

The Honorable Katie Hobbs  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 2nd Regular Session, which I signed on June 5th, 2020:

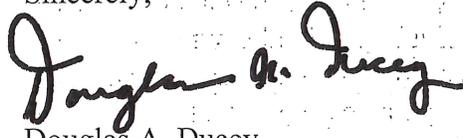
- S.B. 1012 executive session; school safety plans (Borrelli)
- S.B. 1021 department of revenue; electronic signatures (Ugenti-Rita)
- S.B. 1040 insurers; notices; methods of delivery (Livingston)
- S.B. 1041 travel insurance (Livingston)
- S.B. 1042 executive sessions; security plans (Borrelli)
- S.B. 1061 schools; parental rights; posting (Allen, S.)
- S.B. 1062 insurance transactions; discrimination; exceptions(Livingston)
- S.B. 1083 agriculture department; livestock loss board (Allen, S.)
- S.B. 1090 insurance adjusters; claims certificate (Livingston)
- S.B. 1091 insurance producer licensing; surrender; application (Livingston)
- S.B. 1096 property management records; residential rentals (Pace)
- S.B. 1099 tax deed land sales; proceeds (Mesnard)
- S.B. 1121 model city tax code; procedures (Leach)
- S.B. 1131 certified public accountants (Gray)
- S.B. 1210 assisted living; caregivers; training (Pace)
- S.B. 1236 adult adoption; stepchildren (Gowan)
- S.B. 1274 professional regulatory boards; composition (Ugenti-Rita)
- S.B. 1292 financial literacy; state treasurer; fund (Allen,S.)
- S.B. 1303 annexation of territory; requirements (Pratt)
- S.B. 1305 personal delivery devices (Livingston)
- S.B. 1354 public retirement systems; prefunding plan (Livingston)
- S.B. 1397 insurance; preexisting condition exclusions; prohibition (Mesnard)
- S.B. 1441 protection orders; modification; residence possession (Farnsworth, E.)
- S.B. 1445 suicide prevention training; school employees (Bowie)
- S.B. 1446 student identification cards; suicide prevention (Bowie)
- S.B. 1460 electric cooperatives; broadband service (Borrelli)
- S.B. 1492 Arizona teachers academy; program pathways (Boyer)

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S.B. 1504 fingerprinting; vital records; child care (Brophy-McGee)  
S.B. 1510 public contracts; payment methods (Livingston)  
S.B. 1528 family college savings program; treasurer (Leach)  
S.B. 1555 support order; dishonored payment; lien (Farnsworth, E.)  
S.B. 1557 annuity transactions; requirements (Livingston)

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas A. Ducey". The signature is written in a cursive, flowing style.

Douglas A. Ducey  
Governor  
State of Arizona

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

Senate Engrossed

**FILED**  
**KATIE HOBBS**  
**SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-fourth Legislature  
Second Regular Session  
2020

**CHAPTER 67**  
**SENATE BILL 1090**

AN ACT

AMENDING SECTIONS 20-321 AND 20-321.01, ARIZONA REVISED STATUTES; RELATING  
TO INSURANCE ADJUSTERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-321, Arizona Revised Statutes, is amended to  
3 read:

4 20-321. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Adjuster":

7 (a) Means any person who for compensation, fee or commission  
8 either:

9 (i) Adjusts, investigates or negotiates settlement of claims  
10 arising under property and casualty insurance contracts on behalf of  
11 either the insurer or the insured.

12 (ii) Holds oneself out to perform a service listed in item (i) of  
13 this subdivision.

14 (b) Does not include:

15 (i) A licensed attorney-at-law who is qualified to practice law in  
16 this state.

17 (ii) A salaried employee of an insurer or of a managing general  
18 agent. For the purposes of this item, "salaried employee" means an  
19 employee whose compensation is not contingent on the outcome of a claim  
20 determination.

21 (iii) A licensed insurance producer who adjusts or assists in  
22 adjustment of losses arising under policies procured through the insurance  
23 producer.

24 (iv) An employee of a political subdivision who adjusts or assists  
25 in the adjustment of losses arising under policies covering the political  
26 subdivision or persons indemnified by the political subdivision.

27 (v) An independent contractor retained by a licensed adjuster or a  
28 person listed in items (i), ~~through~~ (ii), (iii) AND (iv) of this  
29 subdivision for the sole purpose of providing technical assistance in  
30 connection with a claim. Independent contractors may include  
31 photographers, estimators, engineers, private detectives or handwriting  
32 experts.

33 (vi) An individual who collects claim information from or furnishes  
34 claim information to insureds or claimants and who conducts data entry,  
35 including entering data into an automated claims adjudication system, if  
36 ~~no~~ NOT more than twenty-five persons, as described in this item, are under  
37 the supervision of a single licensed adjuster or licensed producer.

38 (vii) A licensed insurance producer who ~~is supervising or adjusting~~  
39 SUPERVISES OR ADJUSTS claims pursuant to ~~this item is not required to be~~  
40 ~~licensed as an adjuster~~ (vi) OF THIS SUBDIVISION.

41 ~~(vii)~~ (viii) Registered third-party administrators and their  
42 employees who are engaged in administering accident and health or life  
43 insurance claims.

1 (ix) AN EMPLOYEE OF A THIRD-PARTY ADMINISTRATOR OR SELF-INSURED  
2 EMPLOYER WHO ADJUSTS, INVESTIGATES OR NEGOTIATES SETTLEMENT OF ONLY  
3 WORKERS' COMPENSATION CLAIMS.

4 2. "Automated claims adjudication system" means a preprogrammed  
5 computer system that is designed for the collection, data entry,  
6 calculation and final resolution of portable consumer electronic products  
7 insurance claims and that:

8 (a) May be used only by a licensed adjuster, a licensed producer or  
9 supervised individuals operating pursuant to this paragraph.

10 (b) Must comply with all claims payment requirements under this  
11 title and be certified as compliant by a licensed adjuster.

12 3. "Portable consumer electronic products" means electronic devices  
13 and related accessories that are portable in nature.

14 Sec. 2. Section 20-321.01, Arizona Revised Statutes, is amended to  
15 read:

16 20-321.01. Licensing of adjusters; qualifications; exemption

17 A. A person shall not act as or claim to be an adjuster unless the  
18 person is licensed under this article.

19 B. To obtain a license as an adjuster a person shall apply to the  
20 director for the license and use the forms prescribed and provided by the  
21 director. The director shall issue the license to qualified persons on  
22 payment of the license fee prescribed in section 20-167.

23 C. To be licensed as an adjuster the applicant shall meet all of  
24 the following qualifications:

25 1. Be a person who is at least eighteen years of age.

26 2. Be a resident of this state, ~~or~~ or a resident of another state  
27 that allows residents of this state to act as adjusters in the other  
28 state.

29 3. Take and pass an examination that is given by or under the  
30 supervision of the director and that reasonably tests the applicant's  
31 knowledge of insurance and legal responsibilities as an adjuster and  
32 otherwise comply with section 20-321.02. NOTWITHSTANDING SUBSECTION D OF  
33 THIS SECTION, THE REQUIREMENTS UNDER THIS PARAGRAPH ARE WAIVED IF THE  
34 APPLICANT HOLDS A CLAIMS CERTIFICATE ISSUED BY A NATIONAL OR STATE-BASED  
35 CLAIMS ASSOCIATION WITH A CERTIFICATION PROGRAM THAT CONSISTS OF AT LEAST  
36 FORTY HOURS OF PREEXAMINATION COURSE WORK, A PROCTORED EXAMINATION OF  
37 SUFFICIENT LENGTH TO ADEQUATELY DETERMINE THE COMPETENCY OF THE APPLICANT  
38 AND AT LEAST TWENTY-FOUR HOURS OF CONTINUING EDUCATION REQUIRED FOR  
39 CERTIFICATION RENEWALS ON A BIENNIAL BASIS.

40 D. An adjuster who is licensed or ~~permitted~~ ALLOWED to act as an  
41 adjuster in the state of the adjuster's domicile is not required to be  
42 licensed pursuant to this section or meet the qualifications prescribed in  
43 this section if the adjuster is sent to this state on behalf of an insurer  
44 for the purpose of investigating or making adjustment of a particular loss

1 under an insurance policy or a series of losses resulting from a  
2 catastrophe common to all those losses.

3 E. To determine license eligibility, the director may require  
4 fingerprints of applicants and the submission of the fee and the  
5 fingerprints as required by section 20-285, paragraph 2.

6 F. The director may contract with nongovernmental entities to  
7 perform any ministerial functions, including collection of fees and data  
8 related to licensing, that the director deems appropriate.

9 G. A resident of Canada may apply for a license that grants the  
10 applicant the authority only to adjust portable electronics insurance  
11 claims in this state if the person has obtained an adjuster license in  
12 another state that ~~permits~~ **ALLOWS** that person to adjust portable  
13 electronics insurance claims in that state. A Canadian resident who  
14 qualifies for licensure as an adjuster under this subsection is not  
15 subject to section 25-320, subsection P.

16 H. An applicant who resides in a state that does not issue licenses  
17 to adjusters and who is otherwise ~~permitted~~ **ALLOWED** to adjust portable  
18 electronics insurance claims in the applicant's resident state may apply  
19 for a license that grants the applicant the authority only to adjust  
20 portable electronics insurance claims in this state.

**APPROVED BY THE GOVERNOR JUNE 5, 2020.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 5, 2020.**

Passed the House May 19, 2020,

Passed the Senate January 30, 2020,

by the following vote: 42 Ayes,

by the following vote: 30 Ayes,

18 Nays, 0 Not Voting

0 Nays, 0 Not Voting

R. P. Spize  
Speaker of the House  
*Pro Tempore*  
Jim Dale  
Chief Clerk of the House

Karen Fann, President  
President of the Senate  
Susan Owens  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

26<sup>th</sup> day of May, 2020,

at 12:20 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 5<sup>th</sup> day of

June, 2020,

at 11:46 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 5<sup>th</sup> day of June, 2020,

at 2:37 o'clock P. M.

[Signature]  
Secretary of State

S.B. 1090