House Engrossed Senate Bill

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

## CHAPTER 255

# SENATE BILL 1295

AN ACT

AMENDING SECTION 20-465, ARIZONA REVISED STATUTES; RELATING TO INSURANCE PRODUCERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

20-465. Fees; insurance producers; definition

A. An insurance producer shall not charge or receive any fee or service charge in addition to the premium in connection with the transaction of insurance, unless both of the following apply:

1. The fee or service charge and the specific services for which it is charged are disclosed and agreed to in writing by the insured.

2. The amount of the fee or service charge is reasonably related to the cost of the service rendered and does not duplicate or increase any fee or service charge included in the insurer's rate filing pursuant to this title.

B. If after an examination and a hearing the director determines that an insurance producer has failed to comply with this section, the director may order the insurance producer to refund all or part of the fee or service charge and may impose civil penalties as set forth in section 20-295. The insurance producer shall pay the costs of the examination from monies deposited with the director pursuant to section 20-159 regardless of the findings of the examination.

C. This section does not restrict or prohibit insurance producers from charging and collecting fees included in the insurer's rate filing pursuant to this title.

D. Notwithstanding subsection A of this section, an insurance producer shall not charge or receive any fee or service charge in connection with the transaction of ~~life, annuity, long-term care or~~ medicare supplement insurance.

E. This section does not apply to insurance producers transacting commercial insurance.

F. This section does not apply to surplus lines brokers transacting surplus lines insurance as set forth in article 5 of this chapter.

G. For the purposes of this section, "commercial insurance" means insurance that insures against the risks arising from business and commercial activity other than insurance maintained by a transportation network company driver under a private passenger automobile insurance policy.

APPROVED BY THE GOVERNOR APRIL 17, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2018.