REFERENCE TITLE: limited line crop insurance

State of Arizona
House of Representatives
Fifty-third Legislature
First Regular Session
2017

HB 2052

Introduced by
Representative Livingston

AN ACT

AMENDING SECTIONS 20-281 AND 20-286, ARIZONA REVISED STATUTES; RELATING TO LIMITED LINE INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 20-281, Arizona Revised Statutes, is amended to read:

20-281. Definitions

In this article, unless the context otherwise requires:

1. "Business entity" means any corporation, association, partnership, limited liability company, limited liability partnership or other legal entity except an individual or sole proprietorship.

2. "Designated producer" means the individual insurance producer that a business entity designates pursuant to section 20-285, subsection C, paragraph 3 as the individual responsible for the business entity's compliance with the insurance laws of this state.

3. "Health or sickness insurance" means disability insurance as defined in section 20-253.

4. "Home state" means the District of Columbia and any state or territory of the United States in which:

(a) An individual insurance producer maintains a principal place of residence or principal place of business and is licensed to act as a resident insurance producer.

(b) A business entity insurance producer maintains its principal place of business and is licensed to act as a resident insurance producer.

5. "Insurance producer" means a person required to be licensed under this article to sell, solicit or negotiate insurance.

6. "Limited line credit insurance" means any form of insurance that is offered in connection with an extension of credit and that is limited to partially or wholly extinguishing that credit obligation, including credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed asset or automobile protection insurance and any other form of insurance that is offered in connection with an extension of credit, that is limited to partially or wholly extinguishing that credit obligation and that the director determines should be designated a form of limited line credit insurance.

7. "Limited line insurance" means limited line credit insurance, LIMITED LINE CROP INSURANCE, limited lines travel insurance under section 20-333 and any other line of insurance that the director deems necessary to recognize for the purposes of complying with section 20-287, subsection C, paragraph 2.

8. "Major line insurance" means life insurance, accident and health or sickness insurance, property insurance, casualty insurance, personal lines insurance and variable insurance contracts, as described in section 20-286.

9. "Member" means, if used in reference to a business entity, a person that holds an ownership interest in the business entity, excluding

any interest in publicly traded securities and any interest of less than ten ~~per cent~~ PERCENT of the voting rights.

10. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

11. "Nonresident" means a person whose home state is not Arizona.

12. "Person" means an individual or a business entity.

13. "Resident" means a person whose home state is Arizona and who does not hold a resident insurance producer license in another state or territory of the United States or in the District of Columbia.

14. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

15. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

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

20-286. Licensure; lines of authority

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

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

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

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

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

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

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

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

8. CROP. CROP INSURANCE IS LIMITED LINE CROP INSURANCE.

~~8.~~ 9. Any other line of insurance allowed under state law or rules adopted by the director.

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

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

1. Residential, business or e-mail address.

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

3. Name.

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