REFERENCE TITLE: residential property insurance; fire; underwriting

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HB 2819

Introduced by
Representative Stahl Hamilton

AN ACT

AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-123; AMENDING TITLE 20, CHAPTER 2, ARTICLE 4.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-391.01; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 20, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 20-123, to read:

20-123. Residential property insurers; data compilation; public posting; definition

A. THE DEPARTMENT SHALL ANNUALLY COMPILE A LIST OF RESIDENTIAL PROPERTY INSURANCE COMPANIES IN THIS STATE AND, FOR EACH RESIDENTIAL PROPERTY INSURANCE COMPANY, SHALL PUBLISH ALL OF THE FOLLOWING ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE WEBSITE:

1. THE PREMIUMS AND ASSOCIATED FEES CHARGED AT THE INCEPTION OF THE POLICY.

2. THE NUMBER OF INSUREDS AND THE AVERAGE PREMIUMS PAID BY ZIP CODE.

3. THE NUMBER OF INSUREDS WHO WERE DENIED REINSURANCE COVERAGE BY THE SAME INSURER AND WHY.

4. THE NUMBER OF INSUREDS WHO WERE DENIED REINSURANCE COVERAGE BY ZIP CODE.

5. THE NUMBER OF INSUREDS WHOSE POLICIES LAPSED.

6. THE NUMBER OF INSURANCE CLAIMS THAT WERE PAID BY THE INSURER.

7. THE NUMBER OF INSURANCE CLAIMS THAT WERE PAID BY THE INSURER AFTER THE INSURED FILED AN APPEAL.

8. THE LIST OF THE PUBLIC PROTECTION CLASSIFICATION FIRE RATING SCORES FOR EACH ZIP CODE OR DESIGNATED AREA WITH THE CORRESPONDING PREMIUM RATES.

9. THE TOTAL DOLLAR AMOUNT COLLECTED FOR PREMIUMS PAID EACH YEAR.

B. FOR THE PURPOSES OF THIS SECTION, "RESIDENTIAL PROPERTY INSURANCE":

1. MEANS INSURANCE COVERAGE AGAINST LOSS TO RESIDENTIAL REAL PROPERTY AT A FIXED LOCATION.

2. INCLUDES:

(a) A RESIDENTIAL FIRE INSURANCE POLICY.

(b) AN ALLIED LINES INSURANCE POLICY.

(c) ANY TANGIBLE PERSONAL PROPERTY PURSUANT TO A HOMEOWNER'S INSURANCE POLICY.

Sec. 2. Title 20, chapter 2, article 4.1, Arizona Revised Statutes, is amended by adding section 20-391.01, to read:

20-391.01. Underwriting guidelines; residential property insurers; filing; definitions

A. A RESIDENTIAL PROPERTY INSURANCE COMPANY IN THIS STATE SHALL FILE WITH THE DEPARTMENT A COPY OF THE RESIDENTIAL PROPERTY INSURER'S UNDERWRITING GUIDELINES. THE RESIDENTIAL PROPERTY INSURER SHALL UPDATE THE RESIDENTIAL PROPERTY INSURER'S FILING EACH TIME THE UNDERWRITING GUIDELINES ARE CHANGED. IF A GROUP OF RESIDENTIAL PROPERTY INSURANCE COMPANIES FILES ONE SET OF UNDERWRITING GUIDELINES FOR THE GROUP, THAT

GROUP SHALL IDENTIFY WHICH UNDERWRITING GUIDELINES APPLY TO EACH RESIDENTIAL PROPERTY INSURER WITHIN THE GROUP.

B. THE UNDERWRITING GUIDELINES:

1. SHALL BE ACTUARILY JUSTIFIED, REASONABLE AND SUBSTANTIALLY COMMENSURATE WITH A CONTEMPLATED RISK.

2. MAY NOT BE UNFAIRLY DISCRIMINATORY.

C. FOR THE PURPOSES OF THIS SECTION:

1. "RESIDENTIAL PROPERTY INSURANCE":

(a) MEANS INSURANCE COVERAGE AGAINST LOSS TO RESIDENTIAL REAL PROPERTY AT A FIXED LOCATION.

(b) INCLUDES:

(i) A RESIDENTIAL FIRE INSURANCE POLICY.

(ii) AN ALLIED LINES INSURANCE POLICY.

(iii) ANY TANGIBLE PERSONAL PROPERTY PURSUANT TO A HOMEOWNER'S INSURANCE POLICY.

2. "UNDERWRITING GUIDELINE" MEANS A RULE, STANDARD, GUIDELINE OR PRACTICE, WHETHER WRITTEN, ORAL OR ELECTRONIC, THAT AN INSURER OR AN AGENT OF THE INSURER USES TO DECIDE WHETHER TO ACCEPT OR REJECT AN APPLICATION FOR COVERAGE UNDER A RESIDENTIAL PROPERTY INSURANCE POLICY OR TO DETERMINE HOW TO CLASSIFY THOSE RISKS THAT ARE ACCEPTED FOR THE PURPOSE OF DETERMINING A RATE.