

REFERENCE TITLE: homeowners; renters; insurance; cancellation; nonrenewal

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1788

Introduced by
Senators Kuby; Hatathlie

AN ACT

AMENDING SECTION 20-1510, ARIZONA REVISED STATUTES; AMENDING TITLE 20, CHAPTER 6, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1511; AMENDING SECTIONS 20-1652, 20-1654 AND 20-2110, ARIZONA REVISED STATUTES; RELATING TO PROPERTY INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-1510, Arizona Revised Statutes, is amended to
3 read:

4 20-1510. Homeowner's or renter's insurance; disclosure;
5 aerial or satellite imagery; coverage reduction;
6 premium increase; notice; dog breeds;
7 prohibitions; definitions

8 A. IT IS THE POLICY OF THIS STATE THAT EACH CONSUMER BE AFFORDED AT
9 LEAST THE MINIMUM PROTECTIONS PRESCRIBED IN THIS SECTION IN CONNECTION
10 WITH THE PURCHASE, COVERAGE AND CLAIMS PROCESS OF ANY POLICY OF INSURANCE
11 THAT IS OFFERED, SOLICITED OR SOLD IN THIS STATE.

12 B. BEFORE AN INSURER MAY ISSUE OR SELL A POLICY OF INSURANCE, THE
13 INSURER SHALL DISCLOSE TO THE APPLICANT, OR IF THE POLICY OF INSURANCE IS
14 A RENEWAL, ON REQUEST OF THE INSURED, ALL OF THE FOLLOWING:

15 1. ALL PERILS FOR WHICH A LOSS IS EXCLUDED FROM COVERAGE, INCLUDING
16 WHETHER THE POLICY COVERS LOSS DUE TO FLOODING, EARTHQUAKE OR MOLD.

17 2. ALL FACTORS THAT WERE USED BY THE INSURER TO DETERMINE THE
18 PREMIUM, INCLUDING AT A MINIMUM, IF APPLICABLE:

19 (a) THE LOCATION OF THE PROPERTY.

20 (b) THE FEATURES OF THE PROPERTY.

21 (c) ANY RISK SCORES THAT ARE ASSOCIATED WITH THE PROPERTY WHETHER
22 PRODUCED FROM A MODEL OR OTHERWISE.

23 (d) IMAGES OF THE PROPERTY, INCLUDING ANY AERIAL OR SATELLITE
24 IMAGERY.

25 (e) ANY MAJOR RISKS THAT THE INSURER IDENTIFIED ON THE PROPERTY.

26 3. ANY PREMIUM INCENTIVES OR DISCOUNTS THAT ARE OFFERED BY THE
27 INSURER FOR PROPERTY IMPROVEMENTS THAT REDUCE THE RISK OF LOSS TO THE
28 PROPERTY FROM NATURAL DISASTERS, INCLUDING WILDFIRES, FLOODS, MUDSLIDES,
29 HAIL AND HIGH WINDS, AND THE IMPACT ANY SUCH IMPROVEMENTS HAVE ON THE
30 TOTAL PREMIUM.

31 C. IF AN INSURER USES AERIAL OR SATELLITE IMAGERY TO UNDERWRITE OR
32 DETERMINE THE PREMIUM FOR A POLICY OF INSURANCE, THE INSURER SHALL PROVIDE
33 TO THE APPLICANT, OR IF THE POLICY IS A RENEWAL, THE INSURED ON REQUEST,
34 ALL IMAGES USED BY THE INSURER. AN INSURER MAY NOT USE ANY AERIAL OR
35 SATELLITE IMAGE THAT IS OLDER THAN ONE HUNDRED EIGHTY DAYS FOR ANY
36 UNDERWRITING OR RATING PURPOSES ON A POLICY OF INSURANCE.

37 D. BEFORE IMPLEMENTING ANY REDUCTION IN COVERAGE OR IMPOSING A
38 PREMIUM INCREASE GREATER THAN TEN PERCENT FOR A POLICY OF INSURANCE, THE
39 INSURER SHALL PROVIDE AT LEAST SIXTY DAYS' WRITTEN NOTICE TO THE INSURED
40 AND INCLUDE AN EXPLANATION FOR THE REDUCTION IN COVERAGE OR PREMIUM
41 INCREASE.

42 ~~A.~~ E. The breed of a dog may not be the sole factor considered or
43 used for any of the following purposes:

1 1. Underwriting or actuarial processes for determining risk,
2 liability or actual or potential losses related to claims involving dogs
3 under a policy of insurance.

4 2. Questionnaires, surveys or other means of gathering information
5 regarding ownership or possession of a dog or the presence of a dog on
6 premises insured or to be insured under a policy of insurance.

7 ~~B.~~ F. For the purposes of this section:

8 1. "Breed" means the actual or perceived breed or mixture of breeds
9 of a dog.

10 2. "Policy of insurance" means a homeowner's or renter's policy of
11 insurance.

12 Sec. 2. Title 20, chapter 6, article 7, Arizona Revised Statutes,
13 is amended by adding section 20-1511, to read:

14 20-1511. State of emergency; homeowner's or renter's
15 insurance; cancellation or nonrenewal prohibition;
16 total and severe loss claims; definition

17 A. IF THE GOVERNOR DECLARES A STATE OF EMERGENCY AS PRESCRIBED IN
18 SECTION 26-303 AFTER A NATURAL DISASTER OR WILDFIRE, AN INSURER MAY NOT DO
19 EITHER OF THE FOLLOWING:

20 1. FOR THE NEXT TWELVE MONTHS REFUSE TO RENEW A POLICY OF INSURANCE
21 WITH AN INSURED THAT RESIDES OR THAT IS LOCATED WITHIN THE AREA DESIGNATED
22 IN THE STATE OF EMERGENCY.

23 2. FOR THE NEXT SIXTY DAYS CANCEL A POLICY OF INSURANCE FOR
24 NONPAYMENT OF A PREMIUM.

25 B. A POLICY OF INSURANCE MAY NOT REQUIRE AN INSURED TO PROVIDE TO
26 THE INSURER AN ITEMIZED LIST OF LOST ASSETS BEFORE THE INSURED IS PROVIDED
27 ADDITIONAL LIVING EXPENSE COVERAGE, IF COVERED BY THE POLICY, FOR TOTAL
28 LOSS CLAIMS OR FOR CLAIMS FOR WHICH THE LOSS RENDERS THE PROPERTY
29 UNINHABITABLE FOR A PERIOD OF TIME.

30 C. FOR THE PURPOSES OF THIS SECTION, "POLICY OF INSURANCE" HAS THE
31 SAME MEANING PRESCRIBED IN SECTION 20-1510.

32 Sec. 3. Section 20-1652, Arizona Revised Statutes, is amended to
33 read:

34 20-1652. Grounds for valid notice of cancellation; inquiries;
35 definitions

36 A. After a policy has been in effect for sixty days or, if the
37 policy is a renewal, effective immediately, a notice of cancellation is
38 not effective unless it is based on the occurrence, after the effective
39 date of the policy, of one or more of the following:

40 1. Nonpayment of premium, EXCEPT AS PRESCRIBED IN SECTION 20-1511.

41 2. Conviction of the named insured of a crime arising out of acts
42 increasing the hazard insured against.

1 3. Acts or omissions by the insured or the insured's representative
2 constituting fraud or material misrepresentation in obtaining the policy,
3 continuing the policy or presenting a claim under the policy.

4 4. Discovery of grossly negligent acts or omissions by the insured
5 substantially increasing any of the hazards insured against.

6 5. Substantial change in the risk assumed by the insurer, since the
7 policy was issued, except to the extent that the insurer should reasonably
8 have foreseen the change or contemplated the risk in writing the contract.

9 6. A determination by the director that the continuation of the
10 policy would place the insurer in violation of the insurance laws of this
11 state.

12 7. Failure of the insured to take reasonable steps to eliminate or
13 reduce any conditions in or on the insured premises that contributed to a
14 loss in the past or will increase the probability of future losses.

15 B. If nonrenewal is based on the condition of the premises, the
16 insured shall be given thirty days' notice to remedy the identified
17 conditions. If the identified conditions are remedied, coverage shall be
18 renewed. If the identified conditions are not satisfactorily remedied,
19 the insured shall be given an additional ~~thirty~~ SIXTY days, on payment of
20 premium, to cure the defective condition. Any insured who believes
21 nonrenewal under this subsection is arbitrary or capricious may use the
22 appeal procedures set forth in section 20-1633.

23 C. If an insurer uses for underwriting purposes information from a
24 report provided by, or database maintained by, an insurance support
25 organization or consumer reporting agency related to the premises that is
26 the subject of the application or to the person applying for insurance,
27 the insurer shall obtain that information as soon as practicable on
28 application by a person for insurance coverage and before the issuance of
29 a binder of insurance coverage. Failure of the insurer to timely obtain
30 the information required by this subsection precludes the insurer from
31 declining insurance coverage or terminating a binder of insurance coverage
32 based on the information. This subsection does not apply to a policy
33 renewal.

34 D. This section does not affect the provisions of section 20-1120.

35 E. After thirty days from the application by an insured for
36 insurance coverage, no declination of insurance coverage or termination of
37 a binder shall be based on information from a consumer report, including a
38 consumer report provided by, or database maintained by, an insurance
39 support organization or consumer reporting agency related to the premises
40 that is the subject of the application or to the person applying for
41 insurance. Notwithstanding any other law, an insurer may decline or
42 terminate insurance coverage based on the condition of the premises as
43 determined through a physical inspection of the premises.

1 F. An insurer shall not consider as a claim any inquiry by an
2 insured into whether a policy will cover a loss or about the type or level
3 of coverage. An insurer shall not use such an inquiry, regardless of the
4 source of the information that an inquiry was made, as a basis for
5 declining, nonrenewing or canceling insurance coverage or a binder of
6 insurance coverage. An insurer shall not submit to any insurance support
7 organization or consumer reporting agency that a mere inquiry was made to
8 the insurer as to the terms or coverage of a policy of insurance. An
9 inquiry into coverage on a property insurance policy is not a claim
10 activity unless an actual claim is filed by the insured that results in an
11 investigation of the claim by the insurer.

12 G. For the purposes of this section, nonrenewal does not include
13 the issuance and delivery of a new policy within the same insurer or an
14 insurer under the same ownership or management as the original insurer as
15 provided in this subsection. An insurer may transfer any of its policies
16 to an affiliated insurer. An insurer may not transfer a policyholder
17 because of the policyholder's location of residence, age, race, color,
18 religion, sex, national origin or ancestry. A transfer by an insurer
19 pursuant to this subsection does not allow the insurer to apply a new
20 unrestricted sixty-day period for cancellation or nonrenewal.

21 H. For the purposes of this section:

22 1. "Consumer reporting agency" has the same meaning prescribed in
23 section 20-2102.

24 2. "Insurance support organization" has the same meaning prescribed
25 in section 20-2102.

26 Sec. 4. Section 20-1654, Arizona Revised Statutes, is amended to
27 read:

28 20-1654. Sending notice of intention not to renew to insured;
29 time; term of policy

30 A. Unless the insurer, at least ~~thirty~~ SIXTY days before the end of
31 the policy period, sends to the named insured notice of its intention not
32 to renew the policy or to condition its renewal on reduction of limits or
33 elimination of coverages, the insurer shall not fail to renew the policy
34 on payment of the premium due on the effective date of the renewal, in
35 accordance with the then existing rating manual of the insurer.

36 B. For the purposes of this section:

37 1. Any policy written for a term of less than one year may be
38 renewed for a term of one year if the notice is not given as required by
39 subsection A of this section. For the purposes of subsection A of this
40 section, a policy with no fixed expiration date is deemed written for
41 successive policy periods of one year.

42 2. Nonrenewal does not include the issuance and delivery of a new
43 policy within the same insurer or an insurer under the same ownership or
44 management as the original insurer as provided in this paragraph. An
45 insurer may transfer any of its policies to an affiliated insurer. An

1 insurer may not transfer a policyholder because of the policyholder's
2 location of residence, age, race, color, religion, sex, national origin or
3 ancestry. A transfer by an insurer pursuant to this paragraph does not
4 allow the insurer to apply a new unrestricted sixty-day period for
5 cancellation or nonrenewal.

6 C. This section does not apply if the insured has accepted
7 replacement coverage or has agreed to nonrenewal.

8 Sec. 5. Section 20-2110, Arizona Revised Statutes, is amended to
9 read:

10 20-2110. Reasons for adverse underwriting decisions

11 A. In the event of an adverse underwriting decision the insurance
12 institution or insurance producer responsible for the decision shall
13 either provide the applicant, policyholder or individual proposed for
14 coverage with the specific reason for the adverse underwriting decision in
15 writing or advise the person, in writing, that on written request the
16 person may receive the specific reason in writing and provide the
17 applicant, policyholder or individual proposed for coverage with a summary
18 of the rights established under subsection B of this section and sections
19 20-2108 and 20-2109.

20 B. On receipt of a written request within ninety business days
21 after the date the notice or other communication of an adverse
22 underwriting decision is sent to an applicant, policyholder or individual
23 proposed for coverage, the insurance institution or insurance producer
24 shall send to the person within twenty-one business days after the date of
25 receipt of the written request:

26 1. The specific reason for the adverse underwriting decision, in
27 writing, if the information was not initially furnished in writing
28 pursuant to subsection A of this section.

29 2. The specific items of personal and privileged information that
30 support those reasons except that:

31 (a) The insurance institution or insurance producer is not required
32 to furnish specific items of privileged information if it has a reasonable
33 suspicion, based on specific information available for review by the
34 director, that the applicant, policyholder or individual proposed for
35 coverage has engaged in criminal activity, fraud, material
36 misrepresentation or material nondisclosure.

37 (b) Specific items of medical record information supplied by a
38 medical care institution or medical professional shall be disclosed either
39 directly to the individual about whom the information relates or to a
40 medical professional designated by the individual and licensed to provide
41 medical care with respect to the condition to which the information
42 relates, at the option of the insurance institution or insurance producer.

43 3. The names and addresses of the institutional sources that
44 supplied the specific items of information pursuant to paragraph 2 of this
45 subsection, except that the identity of any medical professional or

1 medical care institution shall be disclosed either directly to the
2 individual or to the designated medical professional, whichever the
3 insurance institution or insurance producer prefers.

4 C. The obligations imposed by this section on an insurance
5 institution or insurance producer may be satisfied by another insurance
6 institution or insurance producer authorized to act on its behalf.

7 D. If an adverse underwriting decision results solely from an oral
8 request or inquiry, the explanation of the specific reasons and summary of
9 rights required by subsection A of this section may be given orally.

10 E. In providing the specific reason for an adverse underwriting
11 decision based on credit related information contained or not contained in
12 an individual's consumer report, the insurance institution or agent shall
13 provide at least the following information:

14 1. That the decision was based in part on a consumer report or the
15 absence of credit history.

16 2. The source of the consumer report and how the individual may
17 obtain a copy of the consumer report.

18 3. A description of up to four factors that were the primary cause
19 for the adverse action that resulted from the insurance score.

20 F. An insurer shall not use ~~the following~~ ANY types of credit
21 history to calculate an insurance score to determine property or casualty
22 premiums for insurance transactions that are subject to this article and
23 shall not knowingly use an insurance score developed by a third party if
24 the score is calculated using any ~~of the following~~ types of credit
25 history. :-

26 ~~1. The absence of credit history or the inability to determine the~~
27 ~~consumer's credit history unless the insurer's action is actuarially~~
28 ~~justified or the insurer treats the consumer as if the consumer had~~
29 ~~neutral credit information, as defined by the insurer.~~

30 ~~2. Credit history or an insurance score based on collection~~
31 ~~accounts identified with a medical industry code.~~

32 ~~3. A bankruptcy or a lien satisfaction that is more than seven~~
33 ~~years old.~~

34 ~~4. The consumer's use of a particular type of credit card, charge~~
35 ~~card or debit card unless actuarially justified.~~

36 ~~5. The consumer's total available line of credit, except that an~~
37 ~~insurer may consider the total amount of outstanding debt in relation to~~
38 ~~the total available line of credit.~~

39 ~~6. An insurance score that is calculated using the income, gender,~~
40 ~~address, zip code, ethnic group, religion, marital status or nationality~~
41 ~~of the consumer as a factor. This paragraph does not prohibit an insurer~~
42 ~~from using zip code, address, gender and marital status information for~~
43 ~~underwriting purposes.~~

1 Sec. 6. Applicability

2 This act applies to all contracts that are entered into, renewed,
3 extended or modified from and after December 31, 2026.

4 Sec. 7. Short title

5 This act may be cited as the "Arizona Homeowners Insurance Bill of
6 Rights".