

# Banking & Insurance

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[P 105]  
[P 108]

Proposition 105 Clause  
Proposition 108 Clause

<b>Bill</b>	<b>Chapter</b>	<b>Short Title</b>	<b>Page</b>
<a href="#">HB 2052</a>	88	limited line crop insurance	51
<a href="#">HB 2069</a>	153	insurance taxes; installments; electronic filing	51
<a href="#">HB 2070</a>	150	life settlement contracts; broker licenses	51
<a href="#">HB 2073</a>	26	government deposits; investment; financial institutions	51
<a href="#">HB 2160</a>	226	annuity transactions; training requirements	51
<a href="#">HB 2166</a>	227	ASRS; return to work	51
<a href="#">HB 2167</a>	291	ASRS; contributions; adjustments	51
<a href="#">HB 2168</a>	292	ASRS; reinstatement; contribution amount	52
<a href="#">HB 2189</a>	31	disability insurance; service coverage	52
<a href="#">HB 2232</a>	195	commercial cancellation; notice; unearned premium	52
<a href="#">HB 2233</a>	228	operations; employees; home-based business (See Commerce)	59
<a href="#">HB 2267</a>	281	captive insurance; fund	52
<a href="#">HB 2279</a>	251	insurance; fees; insurance producers	52
<a href="#">HB 2386</a>	152	insurance; advertising; filing requirements	52
<a href="#">HB 2438</a>	127	corporations; nontaxable event; status change	53
<a href="#">HB 2482</a>	298	land subdividers; notice; certificate; exemption (See Land, Agriculture & Rural Affairs)	109
<a href="#">SB 1052</a>	104	ASRS; optional retirement benefits; overpayment	53
<a href="#">SB 1053</a>	105	ASRS; board powers	53
<a href="#">SB 1063</a>	235	PSPRS; risk pool	53
<a href="#">SB 1081</a>	9	mutual holding company reorganization	53
<a href="#">SB 1115</a>	266	PSPRS; retirement benefit calculation	53
<a href="#">SB 1197</a>	334	real estate appraisal	53
<a href="#">SB 1215</a>	70	insurance; forms; fire protection services	54
<a href="#">SB 1287</a>	118	securities; registration exemptions	54
<a href="#">SB 1331</a>	267	workers' compensation rates; deviations	54

<a href="#">SB 1332</a>	287	workers' compensation; settlement; travel expenses	54
<a href="#">SB 1341</a>	263	foster children; motor vehicle insurance	54
<a href="#">SB 1441</a>	190	insurers; health providers; claims arbitration	55
<a href="#">SB 1442</a>	163	modifications; corrections officer retirement plan	55

**HB 2052 (Chapter 88): limited line crop insurance**

Adds limited line crop insurance to the types of lines of authority available for insurance producers. Requires applicants for an insurance producer license with a line of authority in crop insurance to take an exam. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2069 (Chapter 153): insurance taxes; installments; electronic filing**

Increases the threshold for the tax of net premiums to be paid monthly from \$2,000 to \$50,000 and allows the payment of the tax to be paid electronically through an approved third-party service. Caps the civil penalty ADOI may impose for failure to pay the tax to \$25 or 5% of the amount due and specifies no penalty may be imposed if an electronic payment is late due to delays caused by the third-party service. Effective: January 1, 2018.

Click [here](#) for bill history.

**HB 2070 (Chapter 150): life settlement contracts; broker licenses**

Sets the expiration date for a broker authority to the expiration date of the producer's life line of authority. Clarifies the Director of ADOI may require an applicant for a provider certificate of authority to disclose the identity of any partners, officers, or employees. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2073 (Chapter 26): government deposits; investment; financial institutions**

Enables certain entities to invest monies into eligible depositories as prescribed by law. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2160 (Chapter 226): annuity transactions; training requirements**

Prescribes training requirements for insurance producers who sell annuity products. Allows the completion of similar training courses in another state to satisfy the requirements of this state. Directs the insurer to verify the insurance producer has completed the training course. Effective: January 1, 2018.

Click [here](#) for bill history.

**HB 2166 (Chapter 227): ASRS; return to work**

Expands the circumstances in which an ASRS employer is required to pay an alternate contribution rate to include a retired member who returns to work in a position that is similar in duties and responsibilities to that of a position ordinary filled by an employee of the employer. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2167 (Chapter 291): ASRS; contributions; adjustments**

Requires ASRS to return excess contributions made through a mistake of fact or mistake of law through an employer credit. Specifies inactive, retired or long-term disability members who paid less than the correct amount of contributions into ASRS must make payments equal to the amount that would have been paid using after-tax income and a personal check, cashier's check or money

order. Stipulates a member who received a return of contributions may receive an adjustment of employer contributions or service credits only for qualifying employment and compensation that occurred after the member's most recent return of contributions. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2168 (Chapter 292): ASRS; reinstatement; contribution amount**

Specifies an ASRS member, who is reemployed, may redeposit the amount of contributions ASRS paid, rather than the amount of contributions the member received, at the time of the member's separation from service. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2189 (Chapter 31): disability insurance; service coverage**

Specifies the requirement for a disability or group or blanket disability insurance policy to provide coverage for certain health care services regardless of the familial relationship of the health care provider and the insured does not apply to a disability income policy. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2232 (Chapter 195): commercial cancellation; notice; unearned premium**

Allows the notice of cancellation of a commercial policy and any refund of unearned premium to be mailed separately, however both must be mailed at least 45 days before the cancellation effective date, or 10 days if the cancellation is for nonpayment of premium. Adds a refund of unearned premium must be returned within the timeframes as provided by law if the premium has been financed. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2267 (Chapter 281): captive insurance; fund**

Modifies the amount of unencumbered monies in the Captive Insurance Regulatory and Supervision Fund that revert to the GF from amounts exceeding \$100,000 to amounts exceeding \$200,000. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2279 (Chapter 251): insurance; fees; insurance producers**

Requires ADOI to disclose comparisons of premiums and fees charged, along with complaint ratios. Prohibits insurance producers from charging any fee or service charge in addition to the premium in connection with the transaction of insurance unless certain criteria are met. Exempts surplus lines brokers from fee or service charge restrictions. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2386 (Chapter 152): insurance; advertising; filing requirements**

Allows the Director of ADOI to exempt advertisements from filing requirements and exempts certain advertising matter and sales material from being classified as advertisements. Effective: August 9, 2017.

Click [here](#) for bill history.

**HB 2438 (Chapter 127): corporations; nontaxable event; status change**

Specifies a change from one organizational structure of a corporation to another is not a taxable event provided there is no change among the owners, ownership, interests or assets. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1052 (Chapter 104): ASRS; optional retirement benefits; overpayment**

Stipulates if an ASRS member receives an overpayment due to a change or error in records, ASRS must withhold the overpayment amount plus any required income tax withholding from the return of contributions or from any partial lump sum. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1053 (Chapter 105): ASRS; board powers**

Allows the ASRS board to determine the rights and obligations for members of the Long-Term Disability Program and members who transfer to another retirement system or plan. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1063 (Chapter 235): PSPRS; risk pool**

An emergency measure that establishes a risk pool for PSPRS members hired on or after July 1, 2017, consisting of an eligible group that has 250 or less active members. Requires eligible groups with 250 or less employees to participate in the PSPRS risk pool. Allows Indian tribes electing to participate in PSPRS to opt out of the risk pool within 90 days of participation. Outlines contributions for employers and members in the risk pool. Establishes the Retiree Pool Account (RPA) and prescribes amounts to be transferred from the employer's account to the RPA. Effective: May 1, 2017.

Click [here](#) for bill history.

**SB 1081 (Chapter 9): mutual holding company reorganization**

Enables a mutual insurer to reorganize as a mutual holding company by submitting a plan of reorganization to ADOL. Outlines the requirements for filing, approving, reviewing, amending, and withdrawing the plan, as well as the effects of the reorganization. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1115 (Chapter 266): PSPRS; retirement benefit calculation**

Affords a PSPRS member who was hired between January 1, 2012 and July 1, 2017 who retires with at least 15 years of credited service but less than 25 years of service the same monthly benefit multiplier as a member who was hired after July 1, 2017. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1197 (Chapter 334): real estate appraisal**

Transfers the registration, licensure and regulation of appraisers from the board of appraisal to ADFI. Adds additional duties of the director regarding the licensing of appraisers. Establishes the Appraisal Subcommittee Fund for remittance of national registry fees. Repeals the Appraisal

Fund and transfers monies in the fund to the GF. Appropriates \$675,000 from the GF to ADFI. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1215 (Chapter 70): insurance; forms; fire protection services**

Excludes wildfire protection services of an insurance policy from review by ADOI. Requires these policies to contain a conspicuously stamped or written notice that states the wildfire protection services are not subject to review. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1287 (Chapter 118): securities; registration exemptions**

Conforms the crowdfunding exemption to changes made in federal law. Requires the issuer of the crowdfunding security to be an Arizona resident and lessens the time a purchaser may sale a crowdfunding security under the isolated transaction exemption. Additionally, allows a licensed escrow agent to maintain the single escrow account applicable to the crowdfunding exemption. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1331 (Chapter 267): workers' compensation rates; deviations**

Allows a member insurer of a rating organization to file up to six uniform percentage deviations to the rating organization's rate filing and requires each deviation to be established consistent with underwriting rules that are based on criteria that would lead to a logical distinction of potential risk. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1332 (Chapter 287): workers' compensation; settlement; travel expenses**

Repeals and rewrites statute relating to final settlement agreements involving workers' compensation claims. Allows interested parties to settle and release a claim or negotiate a settlement. Outlines the requirements and prohibitions for a settlement and stipulates attestations must be included if an employee is represented by counsel. If not represented by counsel, the employee must come before an ALJ. Maintains the authority of the ICA to approve settlements and exempts the settlement of denied claims from the requirements.

Additionally, permits ADES and the Office of Economic Opportunity to disclose unemployment insurance information for specified purposes. Specifies compensation for medical, surgical and hospital benefits must include reimbursement for reasonable travel expenses if the employee has traveled more than 25 miles for care. Effective: August 9, 2017, however, the portion relating to the settlement is effective November 1, 2017.

Click [here](#) for bill history.

**SB 1341 (Chapter 263): foster children; motor vehicle insurance**

Allows a foster child or youth participating in an independent living program, who is 16 and has completed a driver education program, to contract for motor vehicle liability insurance. Effective: August 9, 2017.

Click [here](#) for bill history.

**SB 1441 (Chapter 190): insurers; health providers; claims arbitration**

Allows an enrollee who has received a surprise out-of-network bill to seek dispute resolution provided certain conditions are met. Requires ADOI to develop procedures for settlement teleconferences and arbitration proceedings for dispute resolutions. Outlines the requirements for arbitration. Directs ADOI to annually report on the resolution of disputed surprise out-of-network bills and outlines the contents of the report. Outlines ineligible services for out-of-network claim disputes and specifies the requirements for a bill to be considered as a surprise out-of-network bill. Effective: January 1, 2019.

Click [here](#) for bill history.

**SB 1442 (Chapter 163): modifications; corrections officer retirement plan**

***CORP***

Requires corrections officers hired on or after July 1, 2018 to participate in the PSPRS DC plan. Allows probation and surveillance officers hired on or after July 1, 2018 to participate in either the PSPRS DC plan or CORP. Establishes normal and early retirement for CORP members hired on or after July 1, 2018 and outlines the credited service multiplier. Modifies the amortization period for unfunded liability to a closed period of 20 years or less and allows an employer to make a one-time election to request that the Board use a closed period of not more than 30 years provided certain requirements are met.

Prescribes member and employer contributions for members hired on or after July 1, 2018 as follows:

Employer - 33.3% of the normal cost plus 50% of the total unfunded liability.

Member - 66.7% of the normal cost plus 50% of the total unfunded liability divided equally.

Sets the compensation limit for members hired on or after July 1, 2018 to \$70,000 with adjustments made every 3<sup>rd</sup> FY beginning FY 2022.

***CORP Cost of Living Adjustment (COLA)***

Establishes a compounded cost of living adjustment for members hired before June 30, 2018 with the amount based on the average annual percentage change in the Metropolitan Phoenix-Mesa CPI, capped at 2%.

Establishes a compounded cost of living adjustment for members hired after July 1, 2018 with amounts based on the average annual percentage change in the Metropolitan Phoenix-Mesa CPI, however cannot exceed:

1. 2% if the funded ratio is 90% or more.
2. 1.5% if the funded ratio is 80% or more.
3. 1% if the funded ratio is 70% or more.

Specifies a member is eligible for a COLA after their 7<sup>th</sup> anniversary of retirement or when they are or would have been age 60, whichever is earlier.

***PSPRS DC***

Requires corrections, probation, and surveillance officers participating in the DC plan to contribute 7% but not less than 5% of their gross pensionable compensation and an employer to contribute 5% of the employee's gross pensionable compensation. Vests correction, probation, and surveillance officers after 3 years and fully vests members who die before completing 3 years of service. Allows an employer to make a one-time election to request that the Board use a closed

period of not more than 30 years provided certain requirements are met. Effective: August 9, 2017, however, the portion which repeals CORP's public benefit increase is effective upon voter approval ([See SCR 1023](#)).

Click [here](#) for bill history.