

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# SB 1117

Introduced by  
Senator Livingston

## AN ACT

AMENDING SECTION 20-465, ARIZONA REVISED STATUTES; RELATING TO TRANSACTION OF INSURANCE BUSINESS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 20-465. Fees; insurance producers; definition

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

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

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

14 B. If after an examination and a hearing the director determines  
15 that an insurance producer has failed to comply with this section, the  
16 director may order the insurance producer to refund all or part of the fee  
17 or service charge and may impose civil penalties as set forth in section  
18 20-295. The insurance producer shall pay the costs of the examination  
19 from monies deposited with the director pursuant to section 20-159  
20 regardless of the findings of the examination.

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

24 D. Notwithstanding subsection A of this section, an insurance  
25 producer shall not charge or receive any fee or service charge in  
26 connection with the transaction of medicare supplement insurance.

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

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

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