



**ARIZONA STATE SENATE**  
*Fifty-First Legislature, First Regular Session*

FACT SHEET FOR H.B. 2357

insurance; fees; exception

Purpose

Stipulates that excess fees or service charges for personal policies do not apply to commercial policies.

Background

A function of the Department of Insurance (DOI) is to administer and manage intrastate insurance transactions. Current statute states that no fee or charge will be assessed in addition to the premium charged for insurance of motor vehicle policies insuring six or less vehicles. Fees or charges may be assessed if they are filed with the Director of DOI (Director) and the following requirements are present: 1) services rendered are in excess of services normally performed; 2) the list of specific service charges are disclosed and agreed to in writing by the insured on a form approved by the Director; and 3) the cost of the charge is not excessive in relation to the services rendered. The Director reserves the right to determine whether or not fees or charges incurred are excessive and impose civil penalties as defined in A.R.S. § 20-456.

There is no impact to the state General Fund associated with this legislation.

Provisions

1. States that excess fees charged to personal insurance policies are not applicable to commercial insurance policies.
2. Defines *commercial insurance* as insurance against liability from duties or responsibilities of one or more businesses, which include motor vehicle policies insuring seven or more vehicles.
3. Makes technical changes.
4. Becomes effective on the general effective date.

House Action

IR	1/29/13	DP	8-0-0
3rd Read	2/13/13		59-0-1-0

Prepared by Senate Research  
 February 25, 2013  
 BR/ly