



THE SURPLUS LINE ASSOCIATION  
OF ARIZONA

## ***BULLETIN***

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**Member Bulletin 2012-14**

**August 6, 2012**

### **Changes to the Arizona Surplus Line Statues SB 1123 and SB 1124**

#### **SB1123**

Senate Bill 1123 changes two Department of Insurance (DOI) filing requirements so that original documents with surplus line broker's **"wet signature"** will no longer be required.

Arizona Revised Statutes (ARS) 20-408 requires surplus line brokers to report the procurement of surplus line coverage to the DOI, including a signed affidavit attesting to compliance with the procurement laws. This legislation removes the affidavit requirement. If a question about compliance with the statute arises, the DOI will resolve the issue by reviewing the broker's statutorily required records.

Additionally, SB 1123 permits brokers to submit the semiannual or quarterly notarized statement of surplus lines business required under ARS 20-415 via facsimile instead of filing the original. The bill also requires brokers to maintain a record of these statements for **six (6)** years after the calendar year in which the statement is filed.

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### **SB 1124**

Senate Bill 1124 addresses Arizona Department of Transportation's (ADOT) internal bid process that currently requires bidders to have insurance via the admitted market. SB 1124 amends this requirement. The senate bill amends this requirement permitting such insurance to be placed with **either** and admitted insurer or a surplus line insurer.

**Brokers may not place surplus line business with unauthorized insurers which have not been qualified with the Arizona Director of Insurance and been placed on the List unless the surplus line insurer is an Alien listed on the NAIC Quarterly Listing of Alien Insurers.**

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