



THE SURPLUS LINE ASSOCIATION
OF ARIZONA

BULLETIN

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Service Fees Charged by Surplus Lines Brokers

Interim Director Leslie R. Hess has issued [Regulatory Bulletin 2016-04](#) which clarifies that HB 2149 (Laws 2016, Chapter 38), effective August 6, 2016, did **not** change the requirements for surplus lines brokers (“SLB’s”) to report and pay taxes and stamping fees for service fees that SLB’s charge insureds. The Bill did not alter or eliminate the provision in ARS 20-410(C) that permits a SLB to charge and receive a fee from an insured when the fee is disclosed to and agreed by the insured and the SLB pays the surplus line tax on the fee.

Instead, HB2149, in part, modified ARS 20-410 to clarify that a surplus line broker is not responsible for paying taxes and stamping fees for fees an *insurance producer* imposes on an insured, as may be allowable under ARS 20-407(C) and 20-465.

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