



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

FACT SHEET FOR S.B. 1117

insurance fees; disclosure

Purpose

Replaces the requirement for an insured to agree to fees and service charges in writing with the requirement that an insurance producer disclose fees and service charges in writing.

Background

An insurance producer may not charge or receive any fee or service charge in addition to the premium in connection with the transaction of insurance, unless: 1) the fee or service charge and the specific services for which it is charged are disclosed and agreed to in writing by the insured; and 2) the amount is reasonably related to the cost of the service rendered and does not duplicate or increase any fee or service charge included in the insurer's rate filing. If the Director of the Department of Insurance and Financial Institutions (Director) determines that an insurance producer has failed to comply with the disclosure requirements, the Director may order the insurance producer to refund all or part of the fee or service charge and may impose civil penalties ([A.R.S. § 20-465](#)).

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

Provisions

1. Replaces the requirement for an insured to agree to fees and service charges in writing with the requirement that an insurance producer disclose fees and service charges in writing.
2. Becomes effective on the general effective date.

Prepared by Senate Research
February 11, 2022
MG/AN/slp