

REFERENCE TITLE: premium finance companies; technical correction

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1240

Introduced by
Senator Gorman

AN ACT

AMENDING SECTION 6-1403, ARIZONA REVISED STATUTES; RELATING TO PREMIUM
FINANCE COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 6-1403, Arizona Revised Statutes, is amended to
3 read:

4 6-1403. Exemptions

5 A. The licensing requirements of this article do not apply to:

6 1. Any savings and loan association, bank, savings bank, trust
7 company, consumer lender or credit union authorized to do business in this
8 state.

9 2. Any agent or broker WHO IS licensed by the department of insurance
10 AND who allows an insured to pay premiums on policies written by the agent or
11 broker in installments if the agent or broker receives no interest or other
12 fee, except that an agent or broker may collect a service charge of not more
13 than five per cent of the total premium amount and a delinquency charge as
14 provided in section 6-1413.

15 3. Any person who purchases or otherwise acquires premium finance
16 agreements from a licensee if the licensee retains the right to service the
17 agreements and to collect payments due under the agreements and remains
18 responsible for the premium finance agreement being handled in compliance
19 with this article.

20 4. Any insurer authorized to transact insurance in this state in
21 connection with the issuance of premium finance agreements relating to
22 commercial insurance policies issued by the insurer.

23 B. The exemption from licensing as provided in subsection A of this
24 section does not authorize the financing of insurance premiums without
25 compliance with the other requirements of this article.