

# ARIZONA PROPERTY AND CASUALTY FORM FILINGS

## PERSONAL AUTOMOBILE INSURANCE

The Property and Casualty Section within the Arizona Department of Insurance (“AZDOI”) has developed the following checklist to help you submit a complete and correct form filing.

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*NOTE: This checklist is not intended to serve as an all-inclusive list of requirements. Insurance policies must meet all requirements of Arizona law, regardless of whether the law is summarized in this checklist.*

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This checklist applies to the following types of insurance (TOI’s) and sub-types:

### 19.0: Personal Auto

- 19.0001 - Private Passenger Auto;
- 19.0002 – Motorcycle;
- 19.0003 - Recreational Vehicle;
- 19.0004 - Other.

This checklist is in addition to the [General Filing Checklist](#)

## FILING REQUIREMENTS

**NOTE** - Insurers must file personal automobile forms before using them. Arizona law provides the AZDOI 30 days to approve or disapprove forms. If 30 days elapse before the AZDOI approves or disapproves a form, the form becomes effective. [ARS § 20-398](#).

Topic	References*	Requirements
* “§” = Arizona Revised Statutes Section		
<b>Actual Cash Value</b>	<u><a href="#">AAC R20-6-801 (H)</a></u>	The policy must comply with the code which states that the standard for determining “cash settlement” is the “cost of a comparable automobile in the “local market area”, not the “prevailing competitive price charged in the area where the property will be repaired”. The “local market area” relates to the place of garaging of the vehicle.
<b>Cancellation</b>	<u><a href="#">§ 20-1631</a></u>	<ul style="list-style-type: none"><li>• The insurer cannot cancel a policy solely because of the location of the insured’s residence, or solely because of the insured’s age, race, color, religion, sex, national origin or ancestry.</li><li>• The insurer cannot cancel a policy unless one or more of the following conditions apply:<ul style="list-style-type: none"><li>• The policy has been in effect less than 60 days of the date as of when the cancellation notice is mailed or provided to the insured. This does not apply to:</li></ul></li></ul>

		<ul style="list-style-type: none"> <li>• the policy is a renewal policy; or,</li> <li>• a new policy was issued due to the transfer of a policy that was in effect at least 60 days from an affiliated insurer; or,</li> <li>• The policy insures a vehicle other than as a private passenger motor vehicle, as defined by <a href="#">ARS §20-117</a>; or, The policy insures the vehicle hazard of garages, sales agencies, repair shops, service stations or public parking places; or,</li> <li>• The policy only provides excess coverage. Policy <u>must</u> include and can only include the following conditions for cancellation: <ul style="list-style-type: none"> <li>• The named insured fails to pay the policy premium or a premium installment.</li> <li>• Insurance was obtained through fraudulent misrepresentation</li> <li>• The named insured, a person residing in the named insured's household, or any other person who regularly and frequently operates the insured vehicle</li> <li>• had a driver license suspended or revoked during the policy period;</li> <li>• became disabled and does not provide certification by a medical provider of the person's ability to operate a motor vehicle;</li> <li>• During the policy term or in the 36 months immediately preceding the effective date of the policy, was convicted of ► criminal negligence arising out of operating a motor vehicle resulting in death, homicide or assault; ► driving intoxicated or under the influence of drugs; ► leaving the scene of an accident; ► making false statements on a driver license application; ► driving recklessly.</li> </ul> </li> <li>• The insurer is placed in rehabilitation or receivership, or the director suspends the insurer's authority based on its financially hazardous condition.</li> <li>• The named insured, any person who resides in the same household as the named insured and customarily operates a motor vehicle insured under the policy or any other person who regularly and frequently operates a motor vehicle insured under the policy uses a motor vehicle rated or insured under the policy as a private passenger motor vehicle regularly and frequently for commercial purposes.</li> <li>• The named insured, any person who resides in the same household as the named insured and who customarily operates a motor vehicle insured under the policy or any other person who regularly and frequently operates a motor vehicle insured under the policy uses a motor vehicle rated or insured under the policy to provide transportation network services <u>unless</u>, while the driver is logged in to the transportation network company's digital network or software application</li> </ul>
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		<p>to be a driver or is providing transportation network services, the named insured either:</p> <ul style="list-style-type: none"> <li>• Has procured an endorsement to the private passenger policy that expressly provides such coverage.</li> <li>• Is covered by a motor vehicle liability insurance policy issued by another insurer expressly providing such coverage.</li> <li>• The director determines that the continuation of the policy would place the insurer in violation of the laws of this state or would jeopardize the solvency of the insurer.</li> </ul>
<b>Car Pool</b>	<a href="#">§ 20-259.02</a>	The policy must cover any private-passenger vehicle and its driver while the vehicle is used as a car pool vehicle.
<b>Definition of Motor Vehicle</b>	<a href="#">§ 20-1631(A) and (B)</a> <a href="#">§ 43-1201(A)(4)</a>	Motor vehicles that may be subject to personal automobile rate and rule filing requirements include a private-passenger, station wagon or other four-wheel motor vehicle with a load capacity of 1,500 pounds or less that is used as a public or livery conveyance or rented to others for volunteer work for religious, charitable, scientific, literary or educational purposes, or to prevent cruelty to children or animals.
<b>Disability Benefits</b>	<a href="#">§ 20-259</a>	Arizona statute does not allow a personal auto policy to contain disability benefits. ARS 20-259 only allows the vehicle insurance to be combine "...together with insurance against accidental death or accidental injury to individuals, including the named insured, while in, entering, alighting from, adjusting, repairing, cranking or caused by being struck by a vehicle or aircraft, if such insurance is issued as a part of insurance on the vehicle or aircraft."
<b>Excluded Drivers</b>	<a href="#">ARS § 28-4009(A)(3)</a>  <a href="#">ARS 20-1631(F)</a>  <a href="#">Employers Mutual Casualty Co. v. McKeon, 159 Ariz. 111, 765 P.2d 513 (1988)</a>	<ul style="list-style-type: none"> <li>• The company can exclude a "driver", if you file an Arizona specific Driver Exclusion Endorsement, but the company cannot exclude occupants of vehicles under a Personal Auto Policy. The form must contain a place for the excluded driver's name, a place for the insured's signature, the insurer's signature, the date, and a clear statement about which coverages the endorsement applies to and the policy number.</li> <li>• The named insured must further agree to exclude coverage to the named insured for any negligence which may be imputed by law to the named insured arising out of the maintenance, operation or use of a motor vehicle by the excluded person.</li> <li>• This exclusion does not apply to UM/UIM coverage</li> </ul>
<b>Felony Activity</b>	<a href="#">Transamerica Insurance Group v. Meere, 143 Ariz. 351, 649 P.2d 181 (1984).</a>  <a href="#">Phoenix Control Sys. Inc. v. Ins. Co. of N. Am., 165 Ariz. 31, 796 P.2d 463 (1990).</a>	<ul style="list-style-type: none"> <li>• The liability created as a result of using a vehicle in a felony activity may not always be a vehicular felony. There are no provisions for those limits to stop if the vehicle is being driven during a felony activity. The policy must provide at least the minimum financial responsibility limits.</li> <li>• There are intentional acts exclusions that may preclude coverage of an injury caused when the insured intentionally acts wrongfully with a purpose to</li> </ul>

		injure. However these exclusions do not apply when an insured acts intentionally, but the act unintentionally results in wrongful conduct.
<b>Grace Period</b>	<a href="#">§ 20-1632.01(A)</a>	Insurer must provide a grace period of at least 7 days for non-payment of premium except when initially issuing the policy. During the grace period, the policy must remain in force without penalty.
<b>Hit and Run UM Coverage</b>		The insured need only provide “corroboration” and not “proof” that an unidentified motor vehicle caused the accident in order to collect under the UM provisions.
<b>Household Member Exclusion</b>	<a href="#">Arceneaux v. State Farm Mutual Automobile Ins. Co., 113 Ariz. 216, 550 P.2d 87 (1976).</a>	If the policy contains a bodily-injury exclusion, such as for members of the insured’s household, the policy must state that the exclusion only applies to the amount of coverage that exceeds \$15,000 per person and \$30,000 per accident.
<b>Mexico Coverage Exclusion</b>		Typically language below is included on a policy since we are a border state with Mexico. <i>MEXICO INSURANCE The coverages for your covered auto provided by this policy are NOT extended to accidents or losses occurring within Mexican Territory. WARNING Unless you have automobile insurance written by a Mexican Insurance Company, you may spend many hours or days in jail, if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile.</i>
<b>Minimum Financial Responsibility Limits of Coverage</b>	<a href="#">§ 28-4009</a>	Policy must minimally provide bodily injury coverage of \$15,000 per person and \$30,000 per accident, and property damage coverage of at least \$10,000 per accident.
<b>Nonrenewal</b>	<a href="#">§ 20-1631(C)</a>  <a href="#">§ 20-1631(M)</a>	Policy must include the following limitations for nonrenewal: <ul style="list-style-type: none"> <li>○ The insurer cannot refuse to renew a policy solely because of the location of the insured’s residence, or solely because of the insured’s age, race, color, religion, sex, national origin or ancestry.</li> <li>○ The insurer may non-renew a motor vehicle insurance policy if a named insured establishes a primary residence in a state other than Arizona.</li> <li>○ An insurer that issues policies to members of an association must comply with ARS 20-1631(M) in order to non-renew and must clearly disclose to the applicant and the insured in the application for insurance and insurance policy that both the payment of dues and current membership in the bona fide association are prerequisites to obtaining or renewing the insurance.</li> </ul>
<b>Notification for Nonrenewal, Cancellation, or Reduction of Limits</b>	<a href="#">§20-1632 (A)</a>	<ul style="list-style-type: none"> <li>● If the insurer is nonrenewing a policy for reasons other than nonpayment of premium, notice must be provided at least 45 days before the effective date of nonrenewal.</li> </ul>

		<ul style="list-style-type: none"> <li>For reasons other than nonpayment of premium, insurer must provide notice of cancellation at least 10 days prior to the effective date of cancellation.</li> <li>Insurer must provide notice 10 days prior to a reduction of liability limits.</li> <li>Insurer must send the refund of any unearned premium at least 10 days before the effective date of a cancellation.</li> </ul>
<b>Out of State Coverage</b>	<a href="#">§ 48-4009(A)(2)</a>	The policy shall insure the person named in the policy as the insured and any other person, as insured, using the motor vehicle or motor vehicles within the United States or the Dominion of Canada, subject to limits exclusive of interest and costs, for each motor vehicle
<b>Permissive Use</b>	<a href="#">§ 28-4009</a> <a href="#">§ 28-4085</a>	The policy must cover any person using the insured's vehicle with the insured's (expressed or implied) permission, any person in the insured's employ, and any person in the insured's immediate family or household, with at least the statute-mandated minimum limits of liability coverage.
<b>Racing Exclusion</b>	<a href="#">§ 28-4135(A)</a>	A racing exclusion would have to restrict the activity to a "racing facility" off the public roadway. Any other racing exclusion would need to meet the minimum financial responsibility limits
<b>Replacement Vehicle</b>	<a href="#">§20-1631 (K)</a>	Coverage must be provided coverage for a vehicle that replaces a vehicle covered under the policy, insurers may not cancel nor reduce the coverage for the replacement vehicle until renewal of the policy unless the cancellation provisions listed under ARS §20-1631 (K) are met.
<b>Two or More Policies; Primary/Excess Coverage</b>	<a href="#">§ 20-1123.01(B)</a> <a href="#">§ 28-4010</a>	<ul style="list-style-type: none"> <li>A policy cannot be cancelled due to the existence of another policy covering the same vehicle or driver.</li> <li>Policy must provide for primary coverage when a liability loss occurs and the motor vehicle is described or rated as an owned automobile.</li> </ul>
<b>UM/UIM Government Vehicles</b>	<a href="#">McClellan v. Sentry Indemnity Co., 683 P2.d 757 (Ariz. App. 1984)</a>	A governmental agency vehicle which is excluded under uninsured motorist coverage is excluded only to the extent that the damages exceed the limit of liability required by the Arizona Financial Responsibility Law.
<b>Uninsured Motorist/ Underinsured Motorist (UM/UIM) Coverage</b>	<a href="#">§ 20-259.01</a> <a href="#">Regulatory Bulletin 2003-10</a> <a href="#">Regulatory Bulletin 2003-03</a>	<p>Insurer must file a UM/UIM selection/rejection form that all applicants for personal automobile insurance must complete. The insurer may customize the version of the "Un-insured Motorist Coverage and Under-insured Motorist Coverage" selection form, or the insurer may create its own form that meets the requirement in the law as clarified by the Regulatory Bulletins.</p> <p>An insured has three years to make a UM or UIM claim. <a href="#">§ 12-555</a></p>
<b>Void/Rescind</b>	<a href="#">§20-1109</a>	<p>Misrepresentations, omissions, concealment of facts and incorrect statements shall not prevent a recovery under the policy unless all three of these conditions are met:</p> <ul style="list-style-type: none"> <li>Fraudulent.</li> <li>Material either to the acceptance of the risk, or to the hazard assumed by the insurer.</li> </ul>

		<ul style="list-style-type: none"> <li>The insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.</li> </ul>
<b>Volunteer Work</b>	<a href="#">§20-1631 (B)</a> <a href="#">§20-117</a>	Insurers must include an exception for cancellation of a policy for vehicles used for volunteer work for a tax exempt organization as defined under <a href="#">ARS §43-1201 (A)(4)</a> .

## CERTIFICATION OF COMPANY OFFICER

**NOTE: Filer certification must be completed and signed by an officer of the company.**

I, \_\_\_\_\_, certify on behalf of the company that is submitting this filing that I am responsible for the validity, accuracy and completeness of the enclosures in this filing. To the best of my knowledge and belief each form or rate filing included in this filing: 1) conforms to all of the applicable requirements outlined above; 2) contains no provision(s) previously disapproved or required to be corrected and/or revised by the Arizona Department of Insurance; 3) does not exceed this company's powers, the authority granted by its state of domicile or its Arizona certificate of authority; and 4) complies with all applicable provisions of state or federal law and orders of the Director of Insurance.

Title: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Date: \_\_\_\_\_

Company Officer Signature: \_\_\_\_\_

**Important Note: Pursuant to ARS § 28-4148, each insurer who cancels or becomes aware of the cancellation or nonrenewal of or failure to renew or issuance of a motor vehicle liability insurance policy issued on a vehicle in this state shall provide to the Department of Transportation all cancellations, non-renewals or new issues for any reason after seven or fewer days have elapsed from the time of processing the cancellation, nonrenewal or new issue of a policy. The insurer shall provide the information by electronic data interchange in a format schedule specified by and in a manner prescribed by the Director of the Department of Transportation. ARS § 20-237 provides that if an insurer has failed to comply with the provisions of section 28-4148, the Director of Insurance shall impose a civil penalty for each violation of not more than two hundred fifty dollars per day for each day the insurer is in violation of section 28-**

**4148. The Director of Insurance also may suspend the insurer's certificate of authority until the insurer complies with the provisions of section 28-4148. For further information on reporting the required information, please contact the Arizona Department of Transportation.**