



STATE OF ARIZONA
DEPARTMENT OF INSURANCE

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Governor

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CHARLES R. COHEN
Director of Insurance

CIRCULAR LETTER 2000-5

TO: All Insurers Authorized to Transact Insurance in Arizona; Insurance Trade Associations, Agent's Associations and Other Interested Parties

FROM: Charles R. Cohen
Director of Insurance

DATE: April 6, 2000

RE: **Insurance Department Fee Schedule**

Effective July 1, 2000, fees charged for goods and services delivered by the Department of Insurance must be increased for the first time since 1995. Arizona Revised Statutes (A.R.S.) § 20-167 requires the fee schedule to be changed when fees collected from all fee categories do not yield between 95 and 110 percent of the Department's appropriation. Since 1995, the Department's appropriation has increased as a result of both ordinary growth and new programs, such as the Health Care Appeals program. The prevalence of corporate consolidation transactions in the insurance industry has held fee revenues flat, despite significant growth in the producer licensee population.

In accordance with A.R.S. § 20-167(G), fees shall be adjusted "on a uniform percentage basis among all fee categories [. . . and f]ees shall be revised in such a manner that the revenue derived from the fees equals at least ninety-five per cent but not more than one hundred ten per cent of the [Department's] appropriated budget." Consequently, we are increasing fees 11.1% across the board. The attached existing and new fee schedules are posted on the Insurance Department Internet web site (www.state.az.us/id).

Implementation of the new fee schedule shall be as follows:

1. All fees received by the Department after July 1, 2000, must be in accordance with the **new fee schedule**, regardless as to when the fee was sent by the customer. We strongly encourage our customers to avoid sending fee

payments to the Department toward the end of June 2000 to prevent processing delays caused by receipt of an incorrect fee.

2. All fees received prior to July 1, 2000, pertaining to the renewal of a license that expires after July 1, 2000, must be in accordance with the **new fee schedule**.
3. All fees received prior to July 1, 2000, pertaining to the renewal of a license that expires prior to July 1, 2000, must be in accordance with the **existing fee schedule**.

Individuals with questions regarding license fees should contact the Insurance Licensing Section at 602-912-8470, or 877-660-0964 when calling from within Arizona but outside the Phoenix area. Individuals with questions regarding other fees should contact Philip Bassous, Insurance Department Accounting Manager, at 602-912-8400.

Attachment :

<http://www.state.az.us/id/licensing/fees2001.pdf>