



Market Oversight Division
Arizona Department of Insurance

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Douglas A. Ducey, Governor
Leslie R. Hess, Interim Director

January 31, 2017

Dear Sir or Madam:

The Arizona Department of Insurance is compiling its Annual Market Analysis Surveys. Please complete the Motor Vehicle Insurance Non-Renewals Report (MVNR). The survey is now collected through SurveyMonkey® <https://www.surveymonkey.com/r/2016mvnr> and consists of the four sections described below. We made significant changes to the survey, and request that you please pay close attention to the questions and timeframes of each question.

SECTION I – Report policies nonrenewed per A.R.S. §20-1631(D) and (E) and policy transfers per A.R.S. §20-1631(L) as of August 5, 2016 – **prior to the law changing per HB 2445**. Refer to A.R.S. § 20-1631(A) for “motor vehicle” definition applicable to this report. **Please note, for A.R.S. §20-1631(E) & (L) report only non-renewals and transfers as of August 6, 2016 that meet the criteria as outlined in those section of the statute.** Refer to Circular Letter 97-1, dated 3/7/97 and Regulatory Bulletin 2016-01, dated 3/8/16 for guidance in completing PARTS A and B. For section C, only report nonrenewals per **§20-1631(D)**.

SECTION II – Arizona Private Passenger Automobile Insurance Policy Nonrenewals - A.R.S. § 20-1631 – **after the law changes per HB 2445**. Report policies nonrenewed for any reason from **August 6, 2016 to December 31, 2016** per A.R.S. § 20-1631.

SECTION III - Arizona Private Passenger Automobile Insurance Policy Nonrenewals and In-Force - A.R.S. § 20-2414. Report all policies nonrenewed for any reason **during calendar year 2016** pursuant to sections A.R.S. §§ 20-1631 and 20-1632 – A.R.S. § 20-2414(A)(3)(a). Additionally, report all private passenger policies in force as of December 31, 2016 pursuant to A.R.S. § 20-2414(A)(3)(b).

SECTION IV – HB 2445 resulted in the following amendments: a) A.R.S. §20-1631 to allow insurers to refuse to renew a motor vehicle insurance policy for any reason other than the location of residence (except when the insured establishes primary residence outside of Arizona), age, race, color, religion, sex, national origin or ancestry of an insured, b) A.R.S. §20-1631 was amended to allow an insurer to transfer any of its policies to an affiliated insurer, c) prohibits an insurer or producer from asking on the application for motor vehicle insurance if the applicant, person who resides in the same household and customarily operates a vehicle under the policy, or any person who regularly and frequently operates a vehicle under the policy has been nonrenewed by an insurer, d) A.R.S. §20-1632 by requiring an insurer to mail the notice of nonrenewal for reasons other than nonpayment at least 45 days prior to the effective date of nonrenewal, include the specific facts for the nonrenewal, and allow for a refund of unearned premium by electronic means, and e) A.R.S. §20-1633 allows a person that believes the nonrenewal is unlawful to file a written objection with the Director. Report if you have modified your policy forms to include for the various changes in the law, and, if so, provide the SERFF Tracking Number(s).

All insurers who have issued motor vehicle insurance in Arizona during the 2016 calendar year period, as defined in A.R.S. §20-1631, or are authorized to write Vehicle insurance must complete and file this report. You may refer to Regulatory Bulletin 2016-02 at https://insurance.az.gov/sites/default/files/documents/files/RegulatoryBulletin2016-02_20160705.pdf for further guidance.

Please complete the survey at: <https://www.surveymonkey.com/r/2016mvr> **by March 17, 2017** for this company as well as any affiliate insurer who wrote or was authorized to write Vehicle insurance in Arizona during calendar year 2016. The following document: <https://insurance.az.gov/motor-vehicle-insurance-non-renewals-form> contains a complete listing of all of the questions within the survey. **The survey cannot be saved and worked on at a later date, it will have to be completed at one time. We encourage you print the pdf document and use as a tool to gather the information prior to completing the survey on Survey Monkey.**

If you have any questions, please contact Cheryl Hawley at (602) 364-4994 or by e-mail at chawley@azinsurance.gov.

Sincerely,

A handwritten signature in cursive script that reads "Maria G Ailor".

Maria G Ailor, AIE, AMCM
Market Conduct Oversight Manager