

Review Requirements Checklist Commercial Automobile (CA), Lines 19.4 and 21.2

Insurer's Name(s): _____

NAIC #(s): _____

REVIEW REQUIREMENTS	REFERENCE (See www.azleg.gov for applicable statute.)	COMMENTS	REFERENCE Form/Page/Para*
I. FORMS			
Applications			
Referenced In the Policy	A.R.S. §§ 20-398(A); 20-1102	If the application is incorporated by reference in or attached to the policy, the application must be filed.	
Statements As Representations, Not Warranties	A.R.S. § 20-1109		
Fraud Must Be Material	A.R.S. § 20-463(A)		
Blank Forms			
Blank Forms	Unpublished Requirement	The ADOI will not approve blank forms. The forms should be completed in "John Doe" fashion to illustrate the type of language that will be placed on the form.	
Cancellation & Nonrenewal			
Cancellation & Nonrenewal Provisions	A.R.S. § 20-1113(B)(7)		
Premium Return	A.R.S. § 20-1113(C)		
Filing Standards			
File and Use	A.R.S. § 20-398(A)		
Exemption Order	A.R.S. § 20-398(B); Exemption Order	Certain forms have been exempted from filing requirements by Order of the Director. The insurer should review the current exemption order located at www.azinsurance.gov prior to making any submission to the Department in order to determine whether a filing is required or not.	
General Provisions			
Charter; Bylaws	A.R.S. § 20-1114		
Contents Of The Policy (Names)	A.R.S. § 20-1113(B)(1)		
Contents Of The Policy (Insurer)	A.R.S. § 20-1113(B)(2)		
Contents Of The Policy (Subject)	A.R.S. § 20-1113(B)(3)		
Contents Of The Policy (Risks)	A.R.S. § 20-1113(B)(4)		
Contents Of The Policy (Time)	A.R.S. § 20-1113(B)(5)		
Contents Of The Policy (Premium)	A.R.S. § 20-1113(B)(6)		
Contents Of The Policy (Conditions)	A.R.S. § 20-1113(B)(7)		
Assignment	A.R.S. § 20-1122	A policy may be assignable or not assignable, as provided by its terms. Personal injury rights are not assignable. <i>Allstate Ins. Co. v. Druke</i> , 118 Ariz. 301, 576 P2d 489.	

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Execution	A.R.S. § 20-1116		
Illegal Provisions			
Annulment	A.R.S. § 20-1123		
Group Policy	No enabling law for property and casualty group insurance as exists for other types of insurance in Title 20. Unpublished Requirement.	There is no provision under Arizona insurance all to issue a group property and casualty policy.	
Non-Licensed Entities	Unpublished Requirement	The form may not reference or refer the policyholder to agents, brokers, managing general agents or other entities which do not possess an Arizona license and which are required pursuant to Title 20 to be licensed in this State.	
Titles Or Headings	A.R.S. § 20-1111(A)(3)		
Void Policy Restrictions	A.R.S. § 20-1115		
Invalidation Of The Policy	A.R.S. § 20-229(C)		
Standards (Forms)			
Cannot Be Ambiguous, Misleading Or Deceptive	A.R.S. §§ 20-398(A); 20-1111(A)(2)	The Department may rely on current Arizona case law when determining whether a clause is ambiguous, misleading or deceptive.	
Transmittal Form			
Filing Transmittal Form	Unpublished Requirement	Paper filings must include a completed Property & Casualty Transmittal Document. The form may be found at the Department's website: http://www.azinsurance.gov . As different laws apply, forms and rate must be filed separately.	
II. RATES			
Filing Requirements			
Consent To Rate Filings	A.R.S. § 20-385(E)	An insurer may file a rate in <u>excess</u> of that provided by an otherwise applicable filing on a specific risk if the risk agrees. This procedure requires the completion of forms CTRF AZ 385-1 and CTRF AZ 385-2.	
Use and File	A.R.S. § 20-385(A)		
Supporting Data	A.R.S. § 20-385(B)	Actuarial support should include, but is not limited to the following:	
		a) Credible loss and expense experience;	
		b) Loss development tables;	
		c) Trend exhibit;	
		d) Indicated rate level exhibit; a list of assumptions made in the filing; and,	
		e) Exhibit(s) showing that due consideration was given to past and prospective loss experience, a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by the insurer to its policyholders, to past and prospective expenses within and outside Arizona and to all other relevant factors. Although countrywide data may be used in the filing, primary justifications should be based on Arizona specific experience.	
Setting Rates			
Rating standards	A.R.S. § 20-383		
Zip Code Rating	Unpublished Requirement	When an insurer elects to use zip code rating, the insurer's rating plan must include all zip codes.	
Consideration	A.R.S. § 20-384(B)		
Experience	A.R.S. § 20-384(E)		

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Rating Plan Requirements			
Rating Criteria	A.R.S. § 20-384(C)		
Zip Code Rating Classification	Unpublished Requirement	When an insurer elects to use zip code rating, the insurer's rating plan must include all zip codes.	
Schedule Rating	A.R.S. § 20-384(C)		
Schedule Rating	A.R.S. § 20-384(C); Unpublished Requirement	Rates produced may be modified for individual risks in accordance with rating plans or schedules that establish reasonable standards for measuring probable variations in hazards or expenses, or both. A schedule rating plan must be equitable and reasonable; therefore, for example, if the maximum debit under the plan is +25%, then the maximum credit also available under the plan should be -25%. The wording in these rating plans shall not make or permit any unfair discrimination in favor of particular persons or between insureds or subjects of insurance having substantially like insuring, risk and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged.	
General Filing			
Consent To Rate Filings	A.R.S. § 20-385(E); Unpublished Requirement	An insurer may file a rate in excess of that provided by an otherwise applicable filing on a specific risk if the risk agrees. This procedure requires the completion of forms CTRF AZ 385-1 and CTRF AZ 385-2.	
Loss Cost Filing Procedure	ADOI FORM; Unpublished Requirement	Arizona follows ISO format.	
Exemption Order	A.R.S. § 20-385(F); Exemption Order	Certain rates have been exempted from filing requirements by Order of the Director. The insurer should review the current exemption order located at www.azinsurance.gov prior to making any submission to the Department in order to determine whether a filing is required or not.	

CERTIFICATION

I, _____, hereby certify that to the best of my knowledge and belief that each form or rate filing involved in this filing: 1) Complies with the review requirements set forth in this Review Requirements Checklist; 2) Contains no provision(s) previously disapproved or required to be corrected and/or revised by the Arizona Department of Insurance; and 3) Does not exceed this insurer's powers, the authority granted by its state of domicile, and its Arizona certificate of authority.

Signature of Officer: _____

Date: _____

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, nonrenewals 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 pursuant to a 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 at (602) 712-8308.