

## Review Requirements Checklist Consumer Credit Unemployment Insurance (CU), Line 28

Consumer Credit Unemployment insurance means casualty insurance on a debtor to provide indemnity for payments or debt becoming due on a specific loan or other credit transaction while the debtor is involuntarily unemployed as defined in the policy.

**INSURER'S NAME(S):** \_\_\_\_\_

**NAIC #(S):** \_\_\_\_\_

REVIEW REQUIREMENTS	REFERENCE (See <a href="http://www.azleg.state.az.us">www.azleg.state.az.us</a> for applicable statute.)	COMMENTS	REFERENCE Form/Page/ Paragraph
<b>I. FORMS</b>			
<b>Transmittal Forms</b>			
Filing Transmittal Forms	Unpublished Requirement	Paper filings must include a completed Property & Casualty Transmittal Document as well as a Form Filing Transmittal and/or Rate/Rule Filing Transmittal. The forms may be found at the Department's website: <a href="http://www.azinsurance.gov">http://www.azinsurance.gov</a> . When forms and rates are filed simultaneously use one transmittal document. If either part is, thereafter, found to be noncompliant the entire filing will be disapproved. Both paper and SERFF filings require a completed and signed Checklist.	
Multiple Coverage Package	Unpublished Requirement	Paper filings must include a completed Property & Casualty Transmittal Document as well as a Life and Health Transmittal Document. Both paper and SERFF filings require a completed and signed Property & Casualty Checklist and a completed and signed Life and Health Checklist.	
<b>Applications</b>			
Referenced In the Policy	A.R.S. § 20-1609	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)	Statements in the application that would preclude recovery for fraudulent activity must restrict nonrecovery for fraud based on material facts.	
<b>Cancellation &amp; Nonrenewal</b>			
Policy or Certificate Termination	A.R.S. § 20-1113(7) (Does not apply to group policies)	The cancellation provisions of a policy are considered part of the conditions.	
Premium Refund	A.R.S. § 20-1611	Refund for termination prior to scheduled maturity date shall be credited to the entitled person. An insurer is not required to refund any amount that is less than five dollars.	
<b>Filing Standards</b>			
File and Use	A.R.S. § 20-1609	All policy forms must be filed.	
Forms Cannot Be Unjust, Unfair, Inequitable, Ambiguous, Misleading Or Deceptive	A.R.S. §§ 20-1609(B); 20-1111(A)(2)		
<b>General Provisions</b>			
Charter; Bylaws	A.R.S. § 20-1114		
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.	
CU Eligibility Provisions	A.R.S. § 20-1606.01(A)(1)	The policy shall provide coverage for unemployment for any reason except coverage may be excluded due to:	
		a. Voluntary forfeiture of salary, wage or other employment income.	
		b. Resignation.	
		c. Retirement.	
		d. General Strike.	
		e. Illegal Walk Out.	
		f. War	
		g. Separation from the military	

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		h. Willful misconduct, criminal misconduct or unlawful behavior	
		i. Disability caused by injury, sickness or pregnancy	
CU Eligibility Requirements	A.R.S. § 20-1606.01(B)(1)(2)	CU shall not contain eligibility requirements more restrictive than: 1. A policy may exclude from qualification for coverage: a. A self-employed individual. b. Worker in a seasonal or temporary job. Seasonal or temporary job means a job designed to last no more than six consecutive months. c. Debtor who has been notified in writing of layoff or employment termination to occur within sixty days of the date coverage begins. 2. Debtor shall not be required to be full time employee more than six consecutive months before the effective date of coverage. Full time means regular work week not less than thirty hours.	
CU Initial Benefit Payment	A.R.S. § 20-1606.01(A)(2)	Benefits shall start after no more than 30 days, but need not be retroactive to the first day of unemployment and shall have a maximum benefit of at least six months.	
CU Term of Insurance	A.R.S. § 20-1607	1. (A) Subject to acceptance by the insurer, term will begin on date debtor becomes obligated to the creditor. 2. (B) Adjustments shall be made for existing obligations. 3. (C) No additional costs to debtor if term extends more than fifteen days beyond maturity date.	
Contents Of The Policy (Name of Insurer and Address)	A.R.S. § 20-1608(E)(1)	Shall be stated on individual policy or group certificate.	
Contents Of The Policy (Debtor Name)	A.R.S. § 20-1608(E)(2)	Name of debtor. In the case of a group certificate, the identity by name or otherwise of the debtor.	
Contents Of The Policy (Premium)	A.R.S. § 20-1608(E)(3)	State the premium or amount of payment by the debtor separately for each coverage or all coverages in a package. On open end loans, the premium rate and basis of premium calculation such as avg daily balance and prior monthly balance shall be specified.	
Contents Of The Policy (Subject)	A.R.S. § 20-1608(E)(4)	A full description of the coverage(s), to include the amount, term and any exceptions, limitations, and exclusions.	
Contents Of The Policy (Conditions)	A.R.S. § 20-1608(E)(5)	Statement that benefits shall be paid to creditor to reduce or extinguish the unpaid debt. Whenever the amount of insurance benefit exceeds the unpaid debt, any excess shall be paid to the beneficiary other than the creditor named by the debtor or the debtors estate.	
Contents Of The Policy (Term)	A.R.S. § 20-1608(E)(6)	Term of policy shall be stated. If the scheduled term of insurance is less than the scheduled term of the credit transaction, a statement to that effect shall be shown on the face of the individual policy or group certificate in not less than 10pt bold face type.	
Assignment	A.R.S. § 20-1122		
Execution	A.R.S. § 20-1116		
Policy to Reference Annual Disclosure Notice	A.R.S. § 20-1621.03(G)	Policies issued to cover open-end consumer transactions shall provide that the policyholder or certificate holder will be furnished a disclosure notice with the account statement at least annually in no smaller than ten-point type. This notice shall contain the prescribed wording stated in the law.	
<b>Illegal Provisions</b>			
Maximum Amount	A.R.S. § 20-1606	The total amount of periodic indemnity payable by CU shall not exceed the aggregate of scheduled unpaid installments of the gross debt or with respect to group insurance where the indebtedness due is repayable in installments, the maximum sum permitted by A.R.S. § 20-1401. The amount of each payment shall not exceed the original gross debt divided by the number of periodic installments.	
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)	Lack of a countersignature does not invalidate a policy	

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<b>II. RATES</b>			
<b>Filing Requirements</b>			
File and Use	A.R.S. § 20-1610(B)		
Supporting Data	Unpublished Requirement	Actual support should include, but is not limited to the following:	
		a) Past and prospective loss experience of insurer inside and outside the state.	
		b) General and Administrative expenses;	
		c) Acquisition expenses;	
		d) Creditor compensation;	
		e) Investment Income;	
		f) Premium taxes, Licenses, Fees, Assessments;	
		g) Underwriting Profit and Contingencies;	
No Filing Required If Prima Facie Rates Are Used.	A.R.S. § 20-1621.05(C)&(1)	Concurrently with development of the loss ratio standard, the Director shall establish Prima Facia rates. Insurer rates that do not exceed prima facia rates do not have to be filed subject to the filing of insurer certification by April 1 of each year stating its rates <b>do not exceed</b> the prima facia rates.	
<b>Setting Rates</b>			
Rating Standard	A.R.S. § 20-1621.05(A)	Rates shall be reasonable in relation to the benefits provided and shall not be excessive, inadequate or unfairly discriminatory.	

**CERTIFICATION**

I, \_\_\_\_\_, hereby certify that to the best of my knowledge and belief that each form or rate filing involved in this filing: 1) Conforms to all 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; 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: \_\_\_\_\_