



ARIZONA MANAGEMENT SYSTEM SUCCESS REPORT

DEPARTMENT OF INSURANCE

Eliminating Unnecessary, Burdensome Requirement for Surplus Lines Insurers



By rule, the Department of Insurance required surplus lines brokers to submit annual recertification applications on behalf of insurers offering insurance to cover unusual risks for which coverage is not readily available through standard insurance products. Untimely submissions caused some insurers to be temporarily barred from offering and renewing surplus lines policies, with cascading impacts to Arizona businesses and consumers who rely on surplus lines insurance to cover unusual risks. The department reviewed this process, and realizing the requirement added no additional protections for consumers, allowed the rule to expire in December 2016, eliminating the potential coverage gaps and saving approximately 40 hours of staff time each year.