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Trusted Choice
INDEPENDENT INSURANCE AGENTS

Web: www.iiabaz.com
Email: info@iiabaz.com
Phone: (602) 956-1851

333 East Flower Street
Phoenix, AZ 85012

2026 BULLETIN

July 15, 2026

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DATE: July 15, 2026

TO: IIABAZ Members
IIABAZ Associate Members

FROM: Terri S. Edwards, CIC, CISR
Executive Vice President

RE: 2026 Legislative Summary and Review

The Arizona's 57th Legislature; 2nd Regular Session adjourned sine die at 10:06am on Saturday, June 13, 2026 after 153 days. Regular Session is supposed to be 100 days. 2008 was the last time lawmakers ended in that time frame.

It was an exceedingly busy Session and another record breaker for the amount of legislation introduced. 2,030 bills to be exact with an additional 160 memorials and resolutions. 163 striker amendments were proposed throughout the Session that completely overwrote bills and also brought legislation back to life that had been "killed". 415 bills made it through both Chambers and sent to the Governor's desk. Governor Hobbs vetoed 151 of those bills. 87 bills were repeat legislation she had vetoed in 2025. The remaining 264 bills were signed into law and become effective 90 days after the last day of session, making September 12, 2026 the official effective date unless otherwise noted in the legislation.

IIABAZ monitored, tracked, and lobbied over a hundred bills introduced this Session that affected the insurance industry.

Included in this Bulletin is a summary of insurance industry related bills that were introduced this year along with other legislation that may be of interest to our members.

Links to the bills and fact sheets are included. For further information about a particular bill, please feel feel free to contact me at (602) 956-1851, (800) 627-3356 or terri@iiabaz.com.

Thank you for allowing YOUR Association to be of service.

IMPORTANT NOTICE: This bulletin is intended to provide information of a general nature regarding legislative developments. None of the information contained herein is intended as legal advice or opinion relative to specific matters, facts, situations, or issues. Additional facts and information and subsequent or future developments may affect or alter the subjects addressed herein.

It is impossible to discuss all aspects of any bill in a brief summary. We will, upon request, make available a complete copy of each bill discussed as well as a Fact Sheet prepared by the Legislature, which discusses the bill in much more detail—all of which is available on our website as previously noted.

Readers should not rely on this document to include ALL legislative issues that may impact our industry.

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IIABAZ 2026 Legislative Summary

New Laws

HB2996 DIFI; certificates of insurance

IIABAZ ran this legislation on behalf of our members with Representative Weninger as the Sponsor.

The legislation establishes that a certificate of insurance prepared or issued by an insurer, insurance producer, or their representative is not an insurance policy and does not amend, extend, or alter coverage in the insurance policy or confer any new or additional rights beyond those expressly stated in the insurance policy.

Prohibits any person from preparing, issuing, **requesting or requiring** a certificate of insurance that contains false or misleading information, alters, amends or extends coverage, or claims the insurance policy complies with the insurance or indemnification requirements of a contract.

States a person, other than the policyholder, is entitled to notice of cancellation, nonrenewal or a material change in the terms of an insurance policy only if the policy or an endorsement to the policy affords such notice rights to the person.

Authorizes the Arizona Department of Insurance and Financial Institutions (DIFI) to adopt rules to implement the legislation, investigate violations, issue cease and desist orders, and assess civil penalties up to $1,000 per violation.

Specifies that certificates of insurance or any other document or correspondence that is prepared, issued, requested or required in violation of this section is void.

Applies only to certificates of insurance issued in connection with property and casualty risks located in Arizona, regardless of the location of the policyholder, insurer, producer, or any person who requests or requires a certificate of insurance to be issued.

For the purposes of this section, it defines certificate of insurance as a document, form, template, submission, questionnaire, or other instrument regardless of title that includes a description, summary, interpretation or evidence of property and casualty insurance coverage and that is prepared or issued by an insurer, an insurance producer or a representative of an insurer of producer. States a certificate of insurance is not an insurance policy, insurance binder, a policy endorsement or an auto insurance identification or information card.

HB2996 does not affect existing Arizona statutes (ARS 20-433 (A)(1) and ARS 20-433.01) on misrepresenting the insurance policy or DIFI's ability to suspend or revoke an insurance producer's license or insurer's certificate of authority for violations including being prosecuted as a class 5 felony for knowingly violating the statute.

> A.R.S. §20-443 (A)(1) prohibits a person from misrepresenting the terms of any policy issued, or to be issued, or misrepresenting the benefits to be received. An insurer or insurance producer who issues a certificate of insurance that misrepresents or obscures the terms or conditions of the underlying policy violates A.R.S. §20-443 and this may result in administrative action for suspension or revocation of a producer's license or an insurer's certificate or authority, civil penalties and, if applicable, restitution. Further, knowingly issuing such certificates of insurance may be prosecuted as a class 5 felony. A.R.S. §20-443.01.

IIABAZ is developing a customizable template letter for Members use in replying to improper certificate requests/demands. Look for that Notice Alert/Bulletin shortly.

SB1428 Proof of insurance; workers' compensation

Effective July 1, 2027:

- All certificates of insurance for construction-related workers' compensation policies with zero estimated exposures shall contain the statement "*To confirm the status of the Workers' Compensation Policy, go to EWCCV.COM/CVS/"*.

- If an insurer issues any zero estimated exposure workers' compensation policies, the policy shall include a statement signed by the applicant that attests to the accuracy of the information provided in the application and that the applicant has no employees and an estimated exposure of zero, as follows: *"I attest that the information provided on this application is current, true, correct, accurate and complete to the best of my knowledge and belief. I further attest that I do not have any employees and an estimated exposure of zero. If I employ an employee during the policy period, I will provide written notification to my workers' compensation insurer of the employment within sixty days and will include the estimated payroll and classification codes of the new employee. I understand that an intent to defraud or any omission or misrepresentation contained in this application is unlawful."*

- An employer that provides business construction and improvement services and obtains a zero estimated exposure policy must provide each contracted entity with a copy of the policy and written notification that states that the employer has a total estimated exposure of zero. Those contracted entities must keep the notice and the policy at least three years after its receipt.

- Defines "Zero estimated exposure policy" to mean an insurance policy that is obtained by an employer to cover the employer's liability to pay compensation after the employer reports a total estimated exposure of zero.

This language was added on SB1428 as a Striker Amendment reviving the "dead" HB2680 and rushed through the last 48 hours of session bypassing all committees and discussions. HB2680 originally required all certificates of insurance to contain salaries by class codes, employee count, and a QR Code that links to the ICA's workers' compensation verification database effective September 12, 2026. While IIABAZ was successful in getting those requirements removed, we were unable to strike the revised certificate of insurance requirement which adds the verbiage: "To confirm the status of the Workers' Compensation Policy, go to EWCCV.COM/CVS/" on certificates for construction-related work comp policies with no employees/salaries. The legislation's effective date was pushed back to July 1, 2027.

ACORD is aware of SB1428 and does not expect to modify the ACORD 25 form for this new Arizona requirement. They noted the required statement on those construction-related workers' compensation policies with zero estimated exposures certificates of insurance should be placed in the Description of Operations field. In their words: "ACORD doesn't police what producers enter into that field (Description of Operations), and adding state-required language there is already common practice."

SB1206 Storm related insurance claims; adjusters

Defines "adjust" as investigating or negotiating the settlement of a property and casualty insurance claim and expands the definition of "adjuster" to include persons who solicit business from, investigate, or advise insureds about such claims for an adjusting entity.

Prohibits adjusters from representing insureds during an ongoing loss event or emergency response, from participating in the repair or restoration of property they adjust, and from endorsing payment instruments without the insured's direct endorsement and signature.

Prohibits contractors from advertising to pay, paying, or promising to pay insurance deductibles, including rebate deductibles directly or indirectly if an insured owner submitted a claim . Prohibits contractors from acting as an adjuster or negotiating insurance claims on behalf of insureds. Prohibits contractors from soliciting agreements for work during an ongoing loss event or emergency response but permits emergency services to prevent further damage.

SB1415 Insurance adjuster license; eligibility

Allows salaried employees of insurers and managing general agents to obtain an adjuster license in Arizona without taking the adjuster exam if the employee is an Arizona resident and before January 1, 2026, has an active adjuster license in good standing from another home state that required passing an Adjusters' exam. Application, fees, and fingerprints are still required and must be submitted on or before June 30, 2027. A person who is licensed as an adjuster under this section may not adjust claims on behalf of an insured or an insurer in a capacity other than as a salaried employee of the insurer or managing general agent. The adjuster license is valid and renewable only for as long as the person remains a salaried employee of the licensed insurer or managing general agent. A person who wishes to act as or claim to be an adjuster shall apply for and obtain a license as an adjuster.

HB2174 Insurance; modeling and data organizations

Replaces statutory references of advisory organization with modeling and data organization and requires the organization to file models to be used by insurers for making rates.

HB4157 Commerce; 2026-2027

Changes how the Arizona Department of Insurance and Financial Institutions is funded. Monies in the Financial Surveillance Fund are subject to legislative appropriation, rather than continuously appropriated and exempt from lapsing. Requires the Director of the Department of Insurance and Financial Institutions (DIFI) to annually assess and collect from foreign, alien and domestic insurers that hold an active certificate of authority, rather than only domestic insurers, fee amounts within prescribed ranges and on a uniform percentage basis. Specifies that the purpose of the fees collected from insurers and deposited in the Financial Surveillance Fund is for administering the insurance operational functions of DIFI, rather than for employing financial analysts who must assist DIFI in conducting financial surveillance of domestic insurers.

HB4168 Taxation; omnibus; 2026-2027

Besides conforming the Arizona tax statutes with the IRS tax codes the legislation repealed the tax credit for insurance companies - the insurance premium, individual and corporate Credit for New Employment.

Workers' Compensation Laws

SB1135 Death benefits; burial costs

Workers' compensation death benefits are amended to increase burial expense limits from not more than $5,000 to not more than $10,000.

SB1136 Workers' compensation; death benefits; remarriage

Creates a special rule for workers' compensation death benefits for surviving spouses and children of first responders, allowing the surviving spouse to continue receiving benefits after remarriage until death, rather than receiving a lump sum on remarriage. Applies retroactively to spouses of first responders who lost benefits due to remarriage on or after January 1, 2000, and permits prospective reinstatement of benefits but prohibits retroactive payments. Defines "first responder" to include peace officers, firefighters, paramedics, and certain volunteer first responders acting in an official capacity.

SB1215 Firefighters; occupational disease; cancers

Reorganizes the lists of cancers that qualify peace officers and firefighters or fire investigators, respectively, for the occupational disease presumption when certain conditions apply. Applies the occupational disease presumption for firefighters and fire investigators retroactively to July 1, 2021.

SB1254 Industrial commission; revisions

Replaces references to the "Director" of the Division of Occupational Safety and Health within the Industrial Commission of Arizona (ICA) with "Chief" throughout statutes governing occupational safety and health, boilers, and elevators. Expands the duties of the ICA resource officer to include providing information about labor programs under the commission's purview. Requires the ICA to post its schedule of fees on its website and file a notice of public information with the website address for publication in the register. Makes various technical and conforming changes to definitions, terminology, and statutory language related to the administration and enforcement of occupational safety, boiler, and elevator regulations.

HB2138 Firefighters; employment status

Redefines firefighter as a professional firefighter who is a state firefighter or a member of a city or town fire department, a fire district fire department or a fire authority as applicable for workers' compensation if injured or killed while traveling to or from work.

Life and Health Laws

SB1494 Health insurance; patient steering; prohibition

Prohibits health care providers, health care institutions and drug manufacturers from covering enrollees' insurance premiums or directing them to switch plans based on their health condition and sets forth associated criminal penalties.

Makes it unlawful for an insurance producer to offer, pay, solicit or receive any commission, bonus, rebate, kickback or bribe, directly or indirectly, in cash or in kind, or to engage in any split-fee arrangement, in any form whatsoever, in return for referring patients or clients to a sober living home or from a sober living home to any other health care institution and accepting or acknowledging the enrollment of a patient or client for substance use disorder services at a sober living home.

It is unlawful for a person who is licensed or who is required to be licensed as an insurance producer knowingly provide false or fraudulent information, directly or indirectly through employees or representatives, about a person's eligibility for or enrollment status in the Arizona health care cost containment system in connection with an application for, enrollment in or change in coverage under any health benefits plan issued by a health care insurer in this state.

SB1165 Insurance; cost sharing; breast exams

Effective for contracts, evidence of coverage and policies issued on or after January 1, 2027, prohibits a hospital or medical service corporation, health care services organization, disability insurer and group or blanket disability insurer (health care insurer) from imposing cost sharing requirements for preventative screening services for breast cancer or for additional screening services required to complete the screening continuum.

HB2308 Dental insurers; dental practice; prohibition

Prohibits a dental insurer or a holding company of a dental insurer from having any ownership interest in a business organization that offers professional dental services regulated by the Arizona State Board of Dental Examiners.

HB2693 Insurance; bona fide associations; qualifications

Amends qualifications for bona fide associations offering health benefits plans by permitting associations to qualify either by meeting specified state requirements or by meeting the definition of "employer" under the federal Employee Retirement Income Security Act of 1974. Authorizes self-funded multiple employer welfare arrangements to operate through a bona fide association or a statewide chamber of commerce or business league meeting certain criteria, including federal tax exemption under section 501(c)(6). Defines "small employer" to include sole proprietors or working owners for plans issued through a statewide chamber of commerce or business league. Authorizes feasibility study.

Legislation of Interest

SB1477 Assisted living facilities; referral agents

Adds disclosure and insurance requirements for assisted living referral agencies. Requires a referral agency to procure the following insurance from an insurer authorized to do business in Arizona:

a. commercial general liability insurance in an amount of at least $1,000,000 per occurrence and $3,000,000 in the aggregate; and

b. professional liability insurance in an amount of at least $1,000,000 per occurrence and $3,000,000 in the aggregate.

SB1497 School districts; insurance quotes

Requires a school district governing board that employs at least 300 employees and that establishes a self-insurance program to obtain quotes for insurance coverage and services at least once every four years.

HB2868 Installation license; insurance; rules

An applicant for an installation license for a manufactured home or mobile home shall provide evidence of and maintain insurance in an amount that will cover the cost of repairing all damage to the manufactured home or mobile home and its supports that is caused by the installer during the installation, including replacement of the manufactured home or mobile home. The Arizona Department of Housing (ADOH) may require the licensed installer to provide proof of insurance at any time. The licensed installer must notify the ADOH of any changes or cancellations regarding the licensed installer's insurance coverage. Requires an application for license renewal to include evidence of a valid fingerprint clearance card and proof of the required insurance for authorization to operate until the renewal license is issued.

HB2417 Excessive speed; speed inhibiting device

Allows courts to order the installation of speed inhibiting devices on vehicles as an alternative to license suspension for certain traffic offenses, outlining specific durations, compliance requirements and penalties for violations.

Failed Legislation

SB1414 Insurance; time-limited offer; settlement demand - Failed

Establishes a requirement that an insurer respond to a third-party settlement demand within 30 days of receipt. Specifies that the 30-day period begins on the date indicated by the postmark, email, or fax transmission of the settlement demand. Permits an insurer to establish the date of receipt by competent evidence in the event of a dispute regarding compliance with the time limit. Held from Senate Floor Vote.

SB1450 Condominiums; construction defects; actions; procedures - Failed

Shortens the statute of repose for contract-based construction defect actions involving condominiums to five years after substantial completion, with a one-year extension for latent defects discovered in the fifth year, and limits related Registrar of Contractors complaints to five years. Establishes detailed pre-litigation procedures for condominium construction defect claims, including mandatory notice, provision of maintenance records, inspection rights, remedy offers, and tolling of limitation periods. Requires condominium associations to obtain approval from at least two-thirds of unit owners before initiating construction defect litigation, and mandates disclosure of inspection reports, repair offers, and attorney fee arrangements prior to a vote. Specifies limits on damages if timely repairs are completed and defines key terms. Applies changes effective January 1, 2027. Never assigned to a Senate Committee.

SB1788 Homeowners; renters; insurance; cancellation; nonrenewal - Failed

Requires insurers to disclose all perils excluded from coverage, all factors used to determine premiums (including property risk scores and imagery), and available premium incentives for risk-reducing property improvements before issuing or renewing a homeowner's or renter's insurance policy. Mandates insurers provide applicants or insureds with all aerial or satellite images used for underwriting and prohibits use of images older than 180 days. Prohibits insurers from reducing coverage or increasing premiums by more than 10% without at least 60 days' written notice and explanation. Prohibits insurers from refusing to renew or canceling policies in areas subject to a declared state of emergency for specified periods and restricts requirements for itemized asset lists for certain loss claims. Increases notice periods for nonrenewal and remediation of property conditions from 30 to 60 days. Expands prohibitions on the use of credit history in insurance scoring. Applies to contracts entered into, renewed, extended, or modified after December 31, 2026. Designates the act as the "Arizona Homeowners Insurance Bill of Rights." Never heard in Committee.

HB2680 Worker's compensation; database; notice; commission - Failed

Requires all certificates of insurance to include a QR code linking to a workers' compensation verification database, the number of employees, and estimated payroll by classification. Requires signed attestations for zero estimated exposure policies workers' compensation policies and notification obligations for business construction and improvements employers. Held in Senate.

SB1795 Worker's compensation; database; notice; commission (duplicate) failed as never heard in Senate Committee.

HB2091 Financial surveillance fund; insurer examinations - Failed

Requires the Director of the Arizona Department of Insurance and Financial Institutions to annually adjust the maximum financial surveillance assessment amounts for domestic insurers, beginning after June 30, 2027, by the lesser of 2.5% or the average annual change in the Metropolitan Phoenix Consumer Price Index, rounded to the nearest whole dollar, and prohibits reducing the maximum assessment below the prior fiscal year's amount. Applies retroactively from and after December 31, 2025. Requires a two-thirds majority vote. Held in Senate.

HB2271 Insurers covering firefighters; rate deviation - Failed

Deviations from filed workers' compensation insurance rates are authorized to include an additional uniform percentage increase for insurers covering firefighters and fire investigators, contingent on non-reimbursement from the Municipal Firefighter Cancer Reimbursement Fund. Actuarial analysis and supporting data must substantiate the rate increase, with the director empowered to review and approve filings and schedule rating plans related to loss control programs for these classes. Notification requirements and waiting periods for deviations are specified, enhancing regulatory oversight of rate adjustments tied to presumptive cancer claims under workers' compensation. Held in Senate.

HB2292 Wildfire prevention authority; fund - Failed

HB 2292 establishes the Wildfire Prevention Authority within the Department of Forestry and Fire Management, funded by a $20 million annual allocation from insurance premium taxes and other sources, to prioritize wildfire risk mitigation through grants and technical assistance to high-risk areas. Failed in House.

HB2398 Watercraft; insurance requirements; penalties - Failed

Requires owners of watercraft offered for rent in Arizona to obtain and maintain a commercial boat liability insurance policy with minimum coverage of $25,000 for bodily injury or death of one person, $50,000 for two or more persons, and $20,000 for property damage per accident. Authorizes the Arizona Game and Fish Commission to require certification of insurance and permits insurers to report in good faith without civil liability. Establishes a class 3 misdemeanor for renting a watercraft without required insurance and a class 1 misdemeanor if the uninsured watercraft is involved in an accident. Applies identical insurance requirements and penalties to boat livery owners. Failed in House.

HB4020 Insurance; fraud unit; assessment; increase - Failed

Increases the maximum annual assessment on each authorized insurer for administration and operation of the Arizona Department of Insurance and Financial Institutions (DIFI) fraud unit from $1,050 to $1,350. Applies the amended assessment retroactively from and after June 30, 2026. Held in Senate.

HB4088 Commercial motor vehicle; liability insurance - Failed

Requires a motor carrier transporting agricultural commodities in intrastate commerce on Arizona highways to maintain a liability policy sufficient to cover emergency towing and recovery services, satisfied by either cargo insurance or a surety bond or other financial security approved by the Arizona Department of Transportation (ADOT). Failed in House Committee.

Ballot Measures for 2026 General Election

SCR1004 (2025) prohibit tax; monitoring; vehicle mileage
HCR2021 (2025) food; municipal tax; exemption
HCR2055 (2025) drug cartels; terrorist organizations
SCR1004 (2026) photo enforcement systems; voter approval
SCR1032 (2026) instructional expenses; operational spending; enforcement
HCR2001 (2026) citizenship; identification; contributions; early voting
HCR2003 (2026) interscholastic; intramural athletics; biological sex
HCR2040 (2026) school districts; labor organizations; resources
HCR2044 (2026) preferential treatment; discrimination; prohibited acts
HCR2048 (2026) military families; scholarship accounts
I-09-2026 Citizen Initiative Protect Education Act