

Services

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A.R.S. § 20-1510: New Arizona Law Related to Dog Breeds, Homeowners and Renters Insurance Goes Into Effect June 30, 2023

A.R.S. § 20-1510, passed by the Arizona Legislature in 2022, takes effect on June 30, 2023. This new statute prohibits insurers from using a dog's breed as the sole factor in underwriting or actuarial decisions. The Arizona Department of Insurance and Financial Institutions (DIFI) issued guidance on May 25, 2023 regarding the new statute in the Form of Frequently Asked Questions (FAQs). As reflected in the FAQs, please note the following:

- A.R.S. § 20-1510 applies to both new and renewing policies issued on or after June 30, 2023
- A.R.S. § 20-1510 applies to personal homeowners, condominium, manufactured home and renters insurance policies but does not apply to commercial policies, excess liability policies or umbrella policies
- DIFI interprets "breed" to include wolf-dog hybrids and purebred wolves
- Nothing in A.R.S. § 20-1510 prohibits insurers from imposing underwriting criteria unrelated to dog breed, such as size limitations, training requirements, and fence or enclosure requirements
- A.R.S. § 20-1510 does not prohibit insurers from affording reduced coverage limits for claims involving injuries caused by dogs or excluding coverage for all dogs or animals, as long as the limitations and exclusions are applied uniformly and consistently without regard to dog breed
- DIFI interprets A.R.S. § 20-1510 to permit insurers to use dog breed in underwriting as long as dog breed is not the sole factor determining a rating or underwriting decision, and as long as elimination of the factors unrelated to dog breed will not result in the dog breed being the sole remaining underwriting factor that could lead to a declination, nonrenewal, cancellation, surcharge or premium increase
- A.R.S. § 20-1510 does not prohibit insurers from either excluding coverage for any liability resulting from a dog with a history of biting or other aggressive or vicious behavior or nonrenewing policies following dog bites, regardless of breed, as long as the insurer applies this underwriting factor uniformly and consistently

[DIFI's FAQs are available here.](#)

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During a recent industry meeting, representatives of DIFI indicated that to the extent an insurer writing homeowners' or renter's insurance currently excludes coverage for certain dog breeds or imposes surcharges or higher rates for certain dog breeds, DIFI expects the insurer to make rate and/or form filings to comply with the new limitations set forth in A.R.S. § 20-1510. DIFI noted the following suggestions to facilitate their review of any filings:

- Any such filings need to be made through SERFF
- While DIFI expects insurers to comply with the new requirements of A.R.S. § 20-1510 by the 6/30/2023 effective date, DIFI acknowledged that carriers may have IT infrastructure changes that may take time to fully implement. DIFI asked that carriers note, as the proposed effective date of any filings, when insurers anticipate their IT infrastructure changes to be fully implemented.
- Any form filings that are necessary to amend insurance policies to bring them into compliance with A.R.S. § 20-1510 should be submitted as expeditiously as possible, given the 30-day review period provided by A.R.S. § 20-2110
- DIFI expects insurers to include clear statements in their rules, including underwriting manuals, that demonstrate the company will not decline, nonrenew, cancel, surcharge or increase premiums for any insured based solely on the breed of any dog the insured owns
- A.R.S. § 20-385(A) requires rates to be filed within 30 days after they become effective, but insurers may wish to file rates in advance to afford DIFI the opportunity to review and provide input on any proposed underwriting or rating criteria meant to implement A.R.S. § 20-1510 before the proposed changes take effect
- DIFI requested that carriers try to limit proposed changes in any filing to only those needed to comply with A.R.S. § 20-1510 to facilitate an expeditious review
- The filing cover letter should specifically reference HB2323 or A.R.S. § 20-1510 so DIFI knows the filing relates to this new law

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