

R75-157
75-46

March 14, 1975

Ms. Rose Sandoval
Director, Motor Carrier Division
Arizona Corporation Commission
1688 West Adams
Phoenix, Arizona 85007

Re: Member's Handbook - United States
Auto Club

Dear Rose:

Pursuant to your request, we have reviewed the Member's Handbook employed by United States Auto Club.

It is our opinion that United States Auto Club is engaged in the insurance business by virtue of its contractual obligation in connection with the emergency road service, towing service and legal service.

It is unlawful to engage in the business of making contracts of insurance unless authorized to do so by the Director of the Department of Insurance. We are informed that United States Auto Club is not authorized by the Department of Insurance to conduct an insurance business within the State of Arizona.

Accordingly, to the extent that such services presently are being offered by United States Auto Club in Arizona, it is our opinion that grounds exist to revoke United States Auto Club's motor club license. A.R.S. § 28-1376.

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MEMBER SERVICES
GENERAL

Ms. Rose Sandoval
March 14, 1975
Page two

In addition, and perhaps of greater importance to the Arizona Corporation Commission, Arizona's Legislature has directed that no motor club license shall be issued by the Arizona Corporation Commission until the motor club applicant files with the Arizona Corporation Commission:

A certificate from the Director of Insurance that the policy of insurance, if any is issued as all or part of the motor club's services, is approved by the director and issued and sold as prescribed by the director."

A.R.S. § 28-1373.A.5

By carbon copy of this letter, we are forwarding a copy of the Member's handbook to the Director of the Department of Insurance.

Please do not hesitate to contact us for assistance, if the Commissioners decide to pursue this matter.

Sincerely,

BRUCE E. BABBITT
Attorney General

ANDREW W. BETTWEY
Assistant Attorney General

AWB/in
cc Mr. T. Millard Humphrey