



**ARIZONA STATE SENATE**  
*Fifty-First Legislature, First Regular Session*

**AMENDED**

FACT SHEET FOR S.B. 1148

workers' compensation; reciprocity

Purpose

Entitles a worker to Arizona workers' compensation benefits if the worker is employed in Arizona and temporarily leaves the state incidental to that employment and receives an injury arising from the work. Exempts a worker and employer from out-of-state from benefits if certain standards apply.

Background

The Industrial Commission of Arizona (ICA) regulates the workers' compensation insurance industry. The ICA is also responsible for child labor issues, occupational safety and health issues, wage claim dispute resolutions, licensing of private employment agencies and providing information on workers' compensation coverage for claimants of uninsured and self-insured employers or insolvent carriers.

Under Arizona law, employers are required to secure workers' compensation insurance for their employees. According to the ICA, workers' compensation is a "no fault" system in which an injured employee is entitled to receive benefits for an injury, no matter who caused the job-related accident. If an illness or injury is job-related, then the injured worker receives medical benefits and may receive temporary compensation if eligibility requirements are met.

Current law stipulates that a worker is entitled to workers' compensation benefits if the worker, regularly employed in Arizona, receives a personal injury by accident arising from the employment, even if the injury was received out-of-state. An out-of-state worker that is injured in Arizona while engaged in the employer's business, and is entitled to compensation for injury under the state where employed, may enforce against the employer Arizona benefits if they are such that they can reasonably be determined and dealt with by the ICA and the courts (A.R.S. § 23-904). S.B. 1148 repeals this section of law and replaces it with new guidelines regarding workers' compensation claims.

There is no anticipated fiscal impact to the state General Fund as a result of this legislation.

Provisions

1. Specifies that a worker who has been hired or is regularly employed in Arizona is entitled to Arizona workers' compensation if the worker receives a personal injury by accident arising

out of and in the course of the worker's employment, even if the injury was received outside of Arizona.

2. Entitles a worker to workers' compensation benefits if the worker is employed in Arizona and temporarily leaves the state incidental to that employment and receives an injury arising out of and in the course of employment. Allows beneficiaries to claim benefits if the injury results in death.
3. Exempts a worker and employer from another state from workers' compensation benefits while the worker is temporarily in Arizona doing work if the following apply:
  - a. the employer has furnished workers' compensation insurance coverage under the laws of the other state so as to cover the worker's employment while in Arizona;
  - b. the extraterritorial provisions of Arizona law are recognized in the other state;
  - c. employers and workers who are covered in Arizona are likewise exempt from the application of the workers' compensation insurance laws of the other state; and
  - d. the benefits under the workers' compensation insurance laws of the other state are the exclusive remedy against the employer for any injury, whether it results in death or not, received by the worker while temporarily working for the employer in Arizona.
4. Stipulates that a certificate from a duly organized officer of the commission, department of insurance or a similar department of the state certifying that the employer is insured is *prima facie* evidence that the employer carries workers' compensation insurance.
5. Directs the courts to take judicial notice of the laws of another state if the construction of the laws of another state is required in any appeal or litigation.
6. Specifies that an employee is deemed to be temporarily in a state doing work for an employer if the employee performs fewer than 90 continuous days of required services in the state under the direction and control of the employer. Requires these days to be during the 365 days immediately preceding either the employee's date of injury or, in the case of an occupational disease or cumulative trauma claim, the employee's last date of injurious exposure.
7. Requires the total amount of compensation paid or awarded under the other workers' compensation law be credited against the compensation due under Arizona's workers' compensation law if the worker has a claim under the law of another state, territory, province or foreign nation for the same injury or occupational disease as the claim filed in Arizona. Entitles the worker to the full amount of compensation due under Arizona's laws.
8. Requires the insurer to pay any unpaid compensation to the worker up to the amount required by the claim under Arizona law if the compensation is more than the compensation under another law or the paid compensation is recovered from the worker.
9. Applies claims made after the effective date subject to the new reciprocity statute regardless of the date of injury.

10. Repeals conflicting statute that dictates the effect of injury outside of Arizona and the right to compensation of an out-of-state employee injured in Arizona (A.R.S. § 23-904).

11. Becomes effective on the general effective date.

Amendments Adopted By Committee of the Whole

1. Clarifies that an Arizona employee is entitled to workers' compensation coverage in Arizona for employment-related injuries, even if injured outside of Arizona.
2. Stipulates that a certificate from another state's department of insurance certifying that the employer is insured is *prima facie* evidence that an employer is insured.
3. Removes the requirement that the certificate verification include extraterritorial coverage.
4. Specifies that the 90 day period of temporary employment in another state is continuous.

Senate Action

CEM	1/30/13	DP	6-1-0
3 <sup>rd</sup> Read	2/18/13		24-6-0-0

Prepared by Senate Research  
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JT/tf