

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

CHAPTER 157
SENATE BILL 1102

AN ACT

AMENDING SECTIONS 20-156, 20-363, 20-367, 23-901, 23-961, 23-962, 23-963 AND 23-966, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-970; REPEALING SECTIONS 23-1005 AND 23-1006, ARIZONA REVISED STATUTES; AMENDING SECTIONS 23-1021, 23-1026, 23-1029, 23-1065, 23-1070, 23-1091, 41-791, 41-2501 AND 41-4151, ARIZONA REVISED STATUTES; RELATING TO THE STATE COMPENSATION FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-156, Arizona Revised Statutes, is amended to
3 read:

4 20-156. Examination of insurers; financial surveillance fund;
5 definition

6 A. The director shall examine the affairs, transactions, accounts,
7 records and assets of each authorized insurer as often as the director deems
8 advisable. The director shall so examine each domestic insurer, domestic
9 life and disability reinsurer as defined in section 20-1082, service company
10 as defined in section 20-1095 and mechanical reimbursement reinsurer as
11 defined in section 20-1096 at least once every five years. Examination of an
12 alien insurer shall be limited to its insurance transactions in the United
13 States.

14 B. The director shall in like manner examine each insurer applying for
15 an initial certificate of authority to do business in this state.

16 C. In lieu of making an examination, the director may accept a full
17 report of the last recent examination of a foreign or alien insurer,
18 certified to by the insurance supervisory official of another state,
19 territory, commonwealth or district of the United States.

20 ~~D. The director may examine the affairs, transactions, accounts and~~
21 ~~records of the state compensation fund as often as the director reasonably~~
22 ~~deems advisable. The results of such examination shall be the basis for any~~
23 ~~advisory recommendations which the director deems necessary regarding the~~
24 ~~operations of the state compensation fund.~~

25 ~~E.~~ D. The expenses of the examinations conducted under this section
26 shall be paid by the insurance examiners' revolving fund as provided in
27 section 20-159. Such expenses shall be limited to preexamination selection
28 and preparation costs, examination costs, postexamination costs and other
29 such costs of evaluations of compliance required by law.

30 ~~F.~~ E. The financial surveillance fund is established consisting of
31 monies collected pursuant to subsection ~~G~~ F of this section. The fund is a
32 special state fund pursuant to section 35-142, subsection A, paragraph 8.
33 ~~Monies in the fund do not revert to the state general fund.~~ The department
34 shall administer the fund. Monies in the fund are continuously appropriated
35 and are exempt from the provisions of section 35-190 relating to lapsing of
36 appropriations.

37 ~~G.~~ F. The director shall annually assess and collect from each
38 domestic insurer, other than a domestic life and disability reinsurer as
39 defined in section 20-1082, a service company as defined in section 20-1095,
40 and a mechanical reimbursement reinsurer as defined in section 20-1096, an
41 amount within the ranges provided in this subsection and on a uniform
42 percentage basis among all fee categories, to pay the costs of employing
43 financial analysts who shall assist the department in conducting financial
44 surveillance of domestic insurers. The director shall deposit all collected
45 monies in the financial surveillance fund. The director shall base the
46 amount of each insurer's assessment on the total admitted assets of the

1	insurer as shown in its annual statement for the calendar year preceding the		
2	year in which the assessment is made, according to the following schedule:		
3		Minimum	Maximum
4		Assessment Amount	Assessment Amount
5	Insurers with total admitted		
6	assets of greater than		
7	\$1,000,000,000	\$15,000	\$22,500
8	Insurers with total admitted		
9	assets of at least \$200,000,000		
10	but not more than \$1,000,000,000	\$ 5,000	\$ 7,500
11	Insurers with total admitted		
12	assets of at least \$100,000,000		
13	but not more than \$199,999,999	\$ 3,000	\$ 4,500
14	Insurers with total admitted assets		
15	of at least \$50,000,000 but not		
16	more than \$99,999,999	\$ 1,500	\$ 2,250
17	Insurers with total admitted assets		
18	of at least \$25,000,000 but not		
19	more than \$49,999,999	\$ 500	\$ 750
20	Insurers with total admitted		
21	assets of not more than		
22	\$24,999,999	\$ 250	\$ 375

23 ~~H.~~ G. For THE purposes of this section, "insurer" includes health
 24 care services organizations, prepaid dental plan organizations, hospital
 25 service corporations, medical service corporations, dental service
 26 corporations and hospital, medical, dental and optometric service
 27 corporations incorporated in this state.

28 Sec. 2. Section 20-363, Arizona Revised Statutes, is amended to read:
 29 20-363. Availability of services of rating organization to
 30 members

31 A. Subject to rules and regulations that have been approved by the
 32 director as reasonable, each workers' compensation rating organization shall
 33 permit any insurer writing workers' compensation insurance in this state to
 34 become a member. The rating organization shall give its members notice of
 35 proposed changes in its rules and regulations.

36 B. Each rating organization shall furnish its rating services without
 37 discrimination to its members.

38 C. Any member or insurer may request that the director review the
 39 reasonableness of any rule or regulation in its application to members at a
 40 hearing held on at least ten days' written notice to the rating organization
 41 and to the member or insurer. If the director finds that the rule or
 42 regulation is unreasonable in its application, the director shall order that
 43 the rule or regulation does not apply.

44 D. Every insurer writing workers' compensation insurance in this
 45 state, ~~including the state compensation fund,~~ shall be a member of one
 46 workers' compensation rating organization.

1 E. A rating organization shall have as members at least five insurers
2 authorized to write and who are writing workers' compensation insurance in
3 this state and whose combined experience is determined by the director to be
4 reasonably adequate for rate making purposes.

5 ~~F. In a rating organization of which the state compensation fund is a~~
6 ~~member, the state compensation fund shall be entitled, without election, to~~
7 ~~membership on any committee established in connection with the operation of~~
8 ~~the rating organization in this state. One half of the members of each~~
9 ~~committee shall be chosen by the stock insurers and one half by the nonstock~~
10 ~~insurers.~~

11 ~~G. Neither the provisions of this section nor the rules, regulations~~
12 ~~or rating plans of a rating organization affect or apply to self-rating plans~~
13 ~~and rates and charges fixed by the state compensation fund under section~~
14 ~~23-983.~~

15 Sec. 3. Section 20-367, Arizona Revised Statutes, is amended to read:
16 20-367. Workers' compensation appeals board; composition

17 A. A workers' compensation appeals board is established in the
18 department.

19 B. The board shall have at least nine but not more than eleven members
20 who are appointed by the director. The members shall serve three year terms.
21 A member shall not serve more than two consecutive terms.

22 C. The board shall be comprised of **AT LEAST**:

23 1. The following voting members:

24 (a) Five representatives of insurers, one of which is the ~~state~~
25 ~~compensation fund~~ **INSURER WITH THE LARGEST ARIZONA WORKERS' COMPENSATION**
26 **MARKET SHARE AS REPORTED BY THE DEPARTMENT OF INSURANCE IN ITS LATEST ANNUAL**
27 **REPORT.** Any licensed rating organization that meets the requirements
28 prescribed in section 20-363, subsection E may nominate from its membership
29 in this state one representative for each complete twenty per cent share of
30 the total statewide workers' compensation net written premium for the
31 preceding calendar year attributable to its membership. The director shall
32 appoint any remaining insurer representatives needed to constitute five
33 members as ratably as possible based on distribution of the total statewide
34 workers' compensation net written premium for the preceding calendar year.

35 (b) Four representatives of the public. At least two shall be
36 representatives of employers, and the remaining public members shall be
37 persons who are knowledgeable about workers' compensation insurance.

38 2. ~~A~~ **ONE** representative from any designated statistical agent who
39 shall serve as a nonvoting advisory member.

40 D. The board members shall select a chairperson who shall call
41 meetings as needed to consider requests made pursuant to section 20-367.01 or
42 on request of the director.

43 E. The board shall submit to the director a plan of operation and all
44 amendments that are necessary or suitable to ensure the fair, reasonable and
45 equitable administration of the appeals process. The plan of operation and
46 all amendments are effective on approval by the director.

1 F. Subject to the powers of the director, the board shall review
2 appeals that are filed pursuant to section 20-367.01. The board may affirm
3 the action of the rating organization or insurer or direct any rating
4 organization or insurer to modify or reverse its application of the rating
5 system that resulted in the appeal.

6 G. Members of the board are not eligible to receive compensation or
7 travel expenses under title 38, chapter 4, article 2.

8 ~~H. The board established by this section terminates on July 1, 2010~~
9 ~~pursuant to section 41-3102.~~

10 Sec. 4. Section 23-901, Arizona Revised Statutes, is amended to read:
11 23-901. Definitions

12 In this chapter, unless the context otherwise requires:

13 1. "Award" means the finding or decision of an administrative law
14 judge or the commission as to the amount of compensation or benefit due an
15 injured employee or the dependents of a deceased employee.

16 2. "Client" means an individual, association, company, firm,
17 partnership, corporation or any other legally recognized entity that is
18 subject to this chapter and that enters into a professional employer
19 agreement with a professional employer organization.

20 3. "Co-employee" means every person employed by an injured employee's
21 employer.

22 4. "Commission" means the industrial commission of Arizona.

23 5. "Compensation" means the compensation and benefits provided by this
24 chapter.

25 6. "Employee", "workman", "worker" and "operative" means:

26 (a) Every person in the service of the state or a county, city, town,
27 municipal corporation or school district, including regular members of
28 lawfully constituted police and fire departments of cities and towns, whether
29 by election, appointment or contract of hire.

30 (b) Every person in the service of any employer subject to this
31 chapter, including aliens and minors legally or illegally permitted to work
32 for hire, but not including a person whose employment is both:

33 (i) Casual.

34 (ii) Not in the usual course of the trade, business or occupation of
35 the employer.

36 (c) Lessees of mining property and their employees and contractors
37 engaged in the performance of work ~~which~~ THAT is a part of the business
38 conducted by the lessor and over which the lessor retains supervision or
39 control are within the meaning of this paragraph employees of the lessor, and
40 are deemed to be drawing wages as are usually paid employees for similar
41 work. The lessor may deduct from the proceeds of ores mined by the lessees
42 the premium required by this chapter to be paid for such employees.

43 (d) Regular members of volunteer fire departments organized pursuant
44 to title 48, chapter 5, article 1, regular firemen of any volunteer fire
45 department, including private fire protection service organizations,
46 organized pursuant to title 10, chapters 24 through 40, volunteer firemen

1 serving as members of a fire department of any incorporated city or town or
2 an unincorporated area without pay or without full pay and on a part-time
3 basis, and voluntary policemen and volunteer firemen serving in any
4 incorporated city, town or unincorporated area without pay or without full
5 pay and on a part-time basis, are deemed to be employees, but for the
6 purposes of this chapter, the basis for computing wages for premium payments
7 and compensation benefits for regular members of volunteer fire departments
8 organized pursuant to title 48, chapter 5, article 1, or organized pursuant
9 to title 10, chapters 24 through 40, regular members of any private fire
10 protection service organization, volunteer firemen and volunteer policemen of
11 these departments or organizations shall be the salary equal to the beginning
12 salary of the same rank or grade in the full-time service with the city,
13 town, volunteer fire department or private fire protection service
14 organization, provided if there is no full-time equivalent then the salary
15 equivalent shall be as determined by resolution of the governing body of the
16 city, town or volunteer fire department or corporation.

17 (e) Members of the department of public safety reserve, organized
18 pursuant to section 41-1715, are deemed to be employees. For the purposes of
19 this chapter, the basis for computing wages for premium payments and
20 compensation benefits for a member of the department of public safety reserve
21 who is a peace officer shall be the salary received by officers of the
22 department of public safety for their first month of regular duty as an
23 officer. For members of the department of public safety reserve who are not
24 peace officers, the basis for computing premiums and compensation benefits is
25 four hundred dollars a month.

26 (f) Any person placed in on-the-job evaluation or in on-the-job
27 training under the department of economic security's temporary assistance for
28 needy families program or vocational rehabilitation program shall be deemed
29 to be an employee of the department for the purpose of coverage under the
30 state workers' compensation laws only. The basis for computing premium
31 payments and compensation benefits shall be two hundred dollars per month.
32 Any person receiving vocational rehabilitation services under the department
33 of economic security's vocational rehabilitation program whose major
34 evaluation or training activity is academic, whether as an enrolled attending
35 student or by correspondence, or who is confined to a hospital or penal
36 institution, shall not be deemed to be an employee of the department for any
37 purpose. ~~Any dividend which the department's vocational rehabilitation
38 program may be entitled to receive from the state compensation fund because
39 of a favorable loss experience for any policy period shall not revert to the
40 state general fund but shall be applied to the department's current premium
41 obligations for workers' compensation coverage for such program.~~

42 (g) Regular members of a volunteer sheriff's reserve, which may be
43 established by resolution of the county board of supervisors, to assist the
44 sheriff in the performance of the sheriff's official duties. A roster of the
45 current members shall monthly be certified to the clerk of the board of
46 supervisors by the sheriff and shall not exceed the maximum number authorized

1 by the board. Certified members of an authorized volunteer sheriff's reserve
2 shall be deemed to be employees of the county for the purpose of coverage
3 under the Arizona workers' compensation laws and occupational disease
4 disability laws and shall be entitled to receive the benefits of these laws
5 for any compensable injuries or disabling conditions ~~which~~ THAT arise out of
6 and occur in the course of the performance of duties authorized and directed
7 by the sheriff. Compensation benefits and premium payments shall be based
8 upon the salary received by a regular full-time deputy sheriff of the county
9 involved for the first month of regular patrol duty as an officer for each
10 certified member of a volunteer sheriff's reserve. This subdivision shall
11 not be construed to provide compensation coverage for any member of a
12 sheriff's posse who is not a certified member of an authorized volunteer
13 sheriff's reserve except as a participant in a search and rescue mission or a
14 search and rescue training mission.

15 (h) A working member of a partnership may be deemed to be an employee
16 entitled to the benefits provided by this chapter upon written acceptance, by
17 endorsement, at the discretion of the insurance carrier for the partnership
18 of an application for coverage by the working partner. The basis for
19 computing premium payments and compensation benefits for the working partner
20 shall be an assumed average monthly wage of not less than six hundred dollars
21 nor more than the maximum wage provided in section 23-1041 and is subject to
22 the discretionary approval of the insurance carrier. Any compensation for
23 permanent partial or permanent total disability payable to the partner shall
24 be computed on the lesser of the assumed monthly wage agreed to by the
25 insurance carrier on the acceptance of the application for coverage or the
26 actual average monthly wage received by the partner at the time of injury.

27 (i) The sole proprietor of a business subject to this chapter may be
28 deemed to be an employee entitled to the benefits provided by this chapter on
29 written acceptance, by endorsement, at the discretion of the insurance
30 carrier of an application for coverage by the sole proprietor. The basis for
31 computing premium payments and compensation benefits for the sole proprietor
32 shall be an assumed average monthly wage of not less than six hundred dollars
33 nor more than the maximum wage provided by section 23-1041 and is subject to
34 the discretionary approval of the insurance carrier. Any compensation for
35 permanent partial or permanent total disability payable to the sole
36 proprietor shall be computed on the lesser of the assumed monthly wage agreed
37 to by the insurance carrier on the acceptance of the application for coverage
38 or the actual average monthly wage received by the sole proprietor at the
39 time of injury.

40 (j) A member of the Arizona national guard, Arizona state guard or
41 unorganized militia shall be deemed a state employee and entitled to coverage
42 under the Arizona workers' compensation law at all times while the member is
43 receiving the payment of the member's military salary from the state of
44 Arizona under competent military orders or upon order of the governor.
45 Compensation benefits shall be based upon the monthly military pay rate to
46 which the member is entitled at the time of injury, but not less than a

1 salary of four hundred dollars per month, nor more than the maximum provided
2 by the workers' compensation law. No Arizona compensation benefits shall
3 inure to a member compensable under federal law.

4 (k) Certified ambulance drivers and attendants who serve without pay
5 or without full pay on a part-time basis are deemed to be employees and
6 entitled to the benefits provided by this chapter and the basis for computing
7 wages for premium payments and compensation benefits for certified ambulance
8 personnel shall be four hundred dollars per month.

9 (l) Volunteer workers of a licensed health care institution may be
10 deemed to be employees and entitled to the benefits provided by this chapter
11 upon written acceptance by the insurance carrier of an application by the
12 health care institution for coverage of such volunteers. The basis for
13 computing wages for premium payments and compensation benefits for volunteers
14 shall be four hundred dollars per month.

15 (m) Personnel who participate in a search or rescue operation or a
16 search or rescue training operation that carries a mission identifier
17 assigned by the division of emergency management as provided in section
18 35-192.01 and who serve without compensation as volunteer state employees.
19 The basis for computation of wages for premium purposes and compensation
20 benefits is the total volunteer man-hours recorded by the division of
21 emergency management in a given quarter multiplied by the amount determined
22 by the appropriate risk management formula.

23 (n) Personnel who participate in emergency management training,
24 exercises or drills that are duly enrolled or registered with the division of
25 emergency management or any political subdivision as provided in section
26 26-314, subsection C and who serve without compensation as volunteer state
27 employees. The basis for computation of wages for premium purposes and
28 compensation benefits is the total volunteer man-hours recorded by the
29 division of emergency management or political subdivision during a given
30 training session, exercise or drill multiplied by the amount determined by
31 the appropriate risk management formula.

32 (o) Regular members of the Arizona game and fish department reserve,
33 organized pursuant to section 17-214. The basis for computing wages for
34 premium payments and compensation benefits for a member of the reserve is the
35 salary received by game rangers and wildlife managers of the Arizona game and
36 fish department for their first month of regular duty.

37 (p) Every person employed pursuant to a professional employer
38 agreement.

39 (q) Members of the department of administration capitol police
40 reserve, organized pursuant to section 41-794, are deemed to be employees.
41 For the purposes of this chapter, the basis for computing wages for premium
42 payments and compensation benefits for a member of the department of
43 administration capitol police reserve who is a peace officer shall be the
44 salary received by officers of the department of administration for their
45 first month of regular duty as an officer.

1 7. "General order" means an order applied generally throughout the
2 state to all persons under jurisdiction of the commission.

3 8. "Heart-related or perivascular injury, illness or death" means
4 myocardial infarction, coronary thrombosis or any other similar sudden,
5 violent or acute process involving the heart or perivascular system, or any
6 death resulting therefrom, and any weakness, disease or other condition of
7 the heart or perivascular system, or any death resulting therefrom.

8 9. "Insurance carrier" means ~~the state compensation fund and~~ every
9 insurance carrier duly authorized by the director of insurance to write
10 workers' compensation or occupational disease compensation insurance in the
11 state of Arizona.

12 10. "Interested party" means the employer, the employee, or if the
13 employee is deceased, the employee's estate, the surviving spouse or
14 dependents, the commission, the insurance carrier or their representative.

15 11. "Mental injury, illness or condition" means any mental, emotional,
16 psychotic or neurotic injury, illness or condition.

17 12. "Order" means and includes any rule, direction, requirement,
18 standard, determination or decision other than an award or a directive by the
19 commission or an administrative law judge relative to any entitlement to
20 compensation benefits, or to the amount thereof, and any procedural ruling
21 relative to the processing or adjudicating of a compensation matter.

22 13. "Personal injury by accident arising out of and in the course of
23 employment" means any of the following:

24 (a) Personal injury by accident arising out of and in the course of
25 employment.

26 (b) An injury caused by the wilful act of a third person directed
27 against an employee because of the employee's employment, but does not
28 include a disease unless resulting from the injury.

29 (c) An occupational disease ~~which~~ THAT is due to causes and conditions
30 characteristic of and peculiar to a particular trade, occupation, process or
31 employment, and not the ordinary diseases to which the general public is
32 exposed, and subject to section 23-901.01.

33 14. "Professional employer agreement" means a written contract between
34 a client and a professional employer organization:

35 (a) In which the professional employer organization expressly agrees
36 to co-employ all or a majority of the employees providing services for the
37 client. In determining whether the professional employer organization
38 employs all or a majority of the employees of a client, any person employed
39 pursuant to the terms of the professional employer agreement after the
40 initial placement of client employees on the payroll of the professional
41 employer organization shall be included.

42 (b) That is intended to be ongoing rather than temporary in nature.

43 (c) In which employer responsibilities for worksite employees,
44 including hiring, firing and disciplining, are expressly allocated between
45 the professional employer organization and the client in the agreement.

1 15. "Professional employer organization" means any person engaged in
2 the business of providing professional employer services. Professional
3 employer organization does not include a temporary help firm or an employment
4 agency.

5 16. "Professional employer services" means the service of entering into
6 co-employment relationships under this chapter to which all or a majority of
7 the employees providing services to a client or to a division or work unit of
8 a client are covered employees.

9 17. "Special order" means an order other than a general order.

10 ~~18. "State compensation fund" includes the state compensation fund,~~
11 ~~accident benefit fund and occupational disease compensation fund in existence~~
12 ~~on January 2, 1969 and shall thereafter include all funds under the~~
13 ~~jurisdiction of the board of directors of the state compensation fund which~~
14 ~~have been derived from the assessment of premiums, interest, penalties and~~
15 ~~investment earnings for the payment of all workers' compensation and~~
16 ~~occupational disease compensation benefits.~~

17 ~~19.~~ 18. "Weakness, disease or other condition of the heart or
18 perivascular system" means arteriosclerotic heart disease, cerebral vascular
19 disease, peripheral vascular disease, cardiovascular disease, angina
20 pectoris, congestive heart trouble, coronary insufficiency, ischemia and all
21 other similar weaknesses, diseases and conditions, and also previous episodes
22 or instances of myocardial infarction, coronary thrombosis or any similar
23 sudden, violent or acute process involving the heart or perivascular system.

24 ~~20.~~ 19. "Workers' compensation" means workmen's compensation as used
25 in article XVIII, section 8, Constitution of Arizona.

26 Sec. 5. Section 23-961, Arizona Revised Statutes, is amended to read:

27 ~~23-961.~~ 23-961. Methods of securing compensation by employers; deficit
28 premium; civil penalty

29 A. Employers shall secure workers' compensation to their employees in
30 one of the following ways:

31 1. By insuring and keeping insured the payment of such compensation
32 with ~~the state compensation fund or~~ an insurance carrier authorized by the
33 director of insurance to write workers' compensation insurance in this state.

34 2. By furnishing to the commission satisfactory proof of financial
35 ability to pay the compensation directly or through a workers' compensation
36 pool approved by the commission in the amount and manner and when due as
37 provided in this chapter. The requirements of this paragraph may be
38 satisfied by furnishing to the commission satisfactory proof that the
39 employer is a member of a workers' compensation pool approved by the
40 commission pursuant to section 23-961.01. The commission may require a
41 deposit or any other security from the employer for the payment of
42 compensation liabilities in an amount fixed by the commission, but not less
43 than one hundred thousand dollars for workers' compensation liabilities. If
44 the employer does not fully comply with the provisions of this chapter
45 relating to the payment of compensation, the commission may revoke the
46 authority of the employer to pay compensation directly.

1 B. An employer may not secure compensation to comply with this chapter
2 by any mechanism other than as provided in this section. No insurance,
3 combination or other program may be marketed, offered or sold as workers'
4 compensation that does not comply with this section. An employer violates
5 this chapter if the employer purchases or secures its obligations under this
6 chapter through a substitute for workers' compensation that does not comply
7 with this section.

8 C. Insurance carriers that transact the business of workers'
9 compensation insurance in this state shall be subject to the rules of the
10 director of insurance.

11 D. The director of insurance shall not issue to an insurance carrier a
12 certificate of authority that authorizes the insurance carrier to transact
13 workers' compensation insurance until the insurer deposits with the state
14 treasurer, through the director of insurance, cash or securities. ~~The state
15 compensation fund shall also deposit cash or securities with the state
16 treasurer, through the director of insurance, before transacting the business
17 of workers' compensation insurance.~~ The amount of cash or securities
18 required under this subsection shall be at least equal to the greater of the
19 following amounts:

20 1. One hundred thousand dollars.

21 2. The sum of subdivisions (a) and (b) of this paragraph less credits
22 for approved reinsurance computed as of the preceding December 31 or other
23 time as requested by the department of insurance for workers' compensation
24 insurance written subject to the laws of this state:

25 (a) The aggregate of the present values at six per cent interest of
26 all determined and estimated future direct reported loss and loss expense
27 payments on compensation claims incurred more than three years immediately
28 before the preceding December 31 or other time as requested by the department
29 of insurance.

30 (b) The aggregate of the amounts determined for each of the three
31 years immediately before the preceding December 31 or other time as requested
32 by the department of insurance ~~which~~ THAT equals the greater of the
33 following:

34 (i) Sixty-five per cent of the earned premiums for the year less all
35 direct reported loss and loss expense payments made on compensation claims
36 incurred in the corresponding year.

37 (ii) The present value at six per cent interest of all determined and
38 estimated future direct reported loss and loss expense payments on
39 compensation claims incurred in that year.

40 E. On or before April 15 and on any date that the department of
41 insurance specifically requests, an insurance carrier shall file with the
42 department of insurance the information necessary to compute the required
43 amount to be deposited pursuant to subsection D of this section and shall
44 deposit any required additional amount.

1 F. An insurance carrier shall maintain at all times a deposit of cash
2 or securities with the state treasurer, through the director of insurance, in
3 an amount that is not less than the amount required under this section.

4 G. Cash or securities deposited pursuant to this section are subject
5 to approval by the director of insurance at all times. The director of
6 insurance shall hold the cash or securities for fulfillment of the
7 obligations of the insurance carrier, including an insurance carrier acting
8 as a reinsurer, under this chapter. The commission shall have a lien against
9 the cash or securities deposited to the extent the special fund is liable to
10 pay the obligations secured by the cash or securities.

11 H. Except in the event of nonpayment of premiums, each insurance
12 carrier shall carry a risk to the conclusion of the policy period unless the
13 policy is cancelled by the employer or unless one or both of the parties to a
14 professional employer agreement terminate the agreement. The policy period
15 shall be agreed upon by the insurance carrier and the employer.

16 I. At least thirty days' notice shall be given by the insurance
17 carrier to the employer and to the commission of any cancellation or
18 nonrenewal of a policy if the cancellation or nonrenewal is at the election
19 of the insurance carrier. The insurance carrier shall promptly notify the
20 commission of any cancellation by the employer or failure of the employer to
21 renew the policy. The failure to give notice of nonrenewal if the nonrenewal
22 is at the election of the insurance carrier shall not extend coverage beyond
23 the policy period. An insurance carrier shall notify the commission on a
24 form prescribed by the commission that it has insured an employer for
25 workers' compensation promptly after undertaking to insure the employer.

26 J. Every insurance carrier, ~~including the state compensation fund,~~ on
27 or before March 1 of each year shall pay to the state treasurer for the
28 credit of the administrative fund, in lieu of all other taxes on workers'
29 compensation insurance, a tax of not more than three per cent on all premiums
30 collected or contracted for during the year ending December 31 next
31 preceding, less the deductions from such total direct premiums for applicable
32 cancellations, returned premiums and all policy dividends or refunds paid or
33 credited to policyholders within this state and not reapplied as premiums for
34 new, additional or extended insurance. Every self-insured employer,
35 including workers' compensation pools, on or before March 31 of each year
36 shall pay a tax of not more than three per cent of the premiums ~~which~~ THAT
37 would have been paid by the employer if the employer had been fully insured
38 ~~under a plan available from the state compensation fund~~ BY AN INSURANCE
39 CARRIER AUTHORIZED TO TRANSACT WORKERS' COMPENSATION INSURANCE IN THIS STATE
40 during the preceding calendar year. The commission shall adopt rules that
41 shall specify ~~those~~ THE PREMIUM PLANS AND methods to be used for the
42 calculation of rates and premiums and that shall be the basis for the taxes
43 assessed to self-insured employers. The tax shall be not less than two
44 hundred fifty dollars per annum and shall be computed and collected by the
45 commission and paid to the state treasurer for the credit of the
46 administrative fund at a rate not exceeding three per cent to be fixed

1 annually by the industrial commission. The rate shall be no more than is
2 necessary to cover the actual expenses of the industrial commission in
3 carrying out its powers and duties under this title. Any quarterly payments
4 of tax pursuant to subsection L of this section shall be deducted from the
5 tax payable pursuant to this subsection.

6 K. An insurance carrier may reduce the amount of premiums paid by an
7 employer by up to five per cent if all of the following apply:

8 1. The insured employer complies with the drug testing policy
9 requirements prescribed in section 23-493.04.

10 2. The insured employer conducts drug testing of prospective
11 employees.

12 3. The insured employer conducts drug testing of an employee after the
13 employee has been injured.

14 4. The insured employer allows the employer's insurance carrier to
15 have access to the drug testing results under paragraphs 2 and 3 of this
16 subsection.

17 L. Any insurer ~~which~~ THAT, pursuant to this section, paid or is
18 required to pay a tax of two thousand dollars or more for the preceding
19 calendar year shall file a quarterly report, in a form prescribed by the
20 commission, accompanied by a payment in an amount equal to the tax due at the
21 rates prescribed in subsection J of this section for premiums determined
22 pursuant to subsection J of this section or an amount equal to twenty-five
23 per cent of the tax paid or required to be paid pursuant to subsection J of
24 this section for the preceding calendar year. The quarterly payments shall
25 be due and payable on or before the last day of the month following the close
26 of the quarter and shall be made to the state treasurer.

27 M. If an overpayment of taxes results from the method prescribed in
28 subsection L of this section the industrial commission may refund the
29 overpayment without interest.

30 N. An insurer who fails to pay the tax prescribed by subsection J or L
31 of this section or the amount prescribed by section 23-1065, subsection A is
32 subject to a civil penalty equal to the greater of twenty-five dollars or
33 five per cent of the tax or amount due plus interest at the rate of one per
34 cent per month from the date the tax or amount was due.

35 O. ~~Neither the state compensation fund nor~~ An insurance carrier
36 authorized to write workers' compensation insurance may NOT assess an
37 employer premiums for services provided by a contractor alleged to be an
38 employee under section 23-902, subsection B or C, unless the ~~fund or~~ carrier
39 has done both of the following:

40 1. Prepared written audit or field investigation findings establishing
41 that all applicable factors for determining employment status under section
42 23-902 have been met.

43 2. Provided a copy of such findings to the employer in advance of
44 assessing a premium.

45 P. Notwithstanding section 23-901, paragraph 6, subdivision (i), a
46 sole proprietor may waive the sole proprietor's rights to workers'

1 compensation coverage and benefits if both the sole proprietor and the
2 insurance carrier of the employer subject to this chapter for which the sole
3 proprietor performs services sign and date a waiver ~~which~~ THAT is
4 substantially in the following form:

5 I am a sole proprietor, and I am doing business as
6 (name of sole proprietor). I am performing work as an
7 independent contractor for (name of employer). I am not the
8 employee of (name of employer) for workers' compensation
9 purposes, and, therefore, I am not entitled to workers'
10 compensation benefits from (name of employer). I understand
11 that if I have any employees working for me, I must maintain
12 workers' compensation insurance on them.

13 _____
14 Sole proprietor Date
15 _____
16 Insurance carrier Date

17 Sec. 6. Section 23-962, Arizona Revised Statutes, is amended to read:
18 23-962. Insurance by governmental units; payment of premiums

19 A. Any county, city, town, municipal corporation or school district
20 shall insure in any manner prescribed by the terms of section 23-961.
21 Effective July 1, 1983, this state through the department of administration
22 shall self-insure its liability, if any, under chapter 5 of this title and
23 this chapter without the necessity of complying with ~~the provisions of~~
24 section 23-961, subsection A, paragraph 2. On or before June 30, 1983, the
25 state compensation fund and the department of administration shall enter into
26 an interagency contract pursuant to title 11, chapter 7, article 3 for the
27 return to this state of the reserves established and held by the state
28 compensation fund for all claims against this state ~~which~~ THAT were incurred
29 on or before that date. ~~The first five hundred thousand dollars of~~ These
30 reserves ~~shall be credited to the workers' compensation liability loss~~
31 ~~revolving fund established pursuant to section 41-622, and the remainder~~
32 shall be credited to the state general fund. The department of
33 administration shall direct the continuing payment and processing of all
34 claims against this state for injuries to state employees ~~which~~ THAT were
35 incurred both before and after July 1, 1983. All claims payments shall be
36 made or reimbursed by the department on behalf of this state and for expenses
37 incurred in connection with the payment and processing of such claims. The
38 department of administration may procure excess loss coverage from ~~the state~~
39 ~~compensation fund~~ AN INSURANCE CARRIER for individual or aggregate claims, or
40 both, in such amounts and at such primary retention levels as the department
41 of administration deems in the best interest of the state.

42 B. The clerk of the board of supervisors of each county, the clerk of
43 each political subdivision and the superintendent of each school district
44 ~~which~~ THAT insures its workers' compensation liability with ~~the state~~
45 ~~compensation fund~~ AN INSURANCE CARRIER shall furnish quarterly to the ~~state~~
46 ~~compensation fund~~ INSURANCE CARRIER a true payroll showing the total amount

1 paid to employees subject to the provisions of this chapter during each month
2 of the quarter, segregated in accordance with the requirements of the ~~state~~
3 ~~compensation fund~~ INSURANCE CARRIER.

4 C. Each clerk and school superintendent shall thereupon prepare and
5 submit to his respective governing body for approval a claim for the amount
6 of premiums due the ~~state compensation fund~~ INSURANCE CARRIER. Such premiums
7 shall be at once paid to the ~~state compensation fund~~ INSURANCE CARRIER by the
8 proper officer. The department of administration shall draw a warrant for
9 such premiums as are due until June 30, 1983 from the state in favor of the
10 treasurer for the benefit of the ~~state compensation fund~~ INSURANCE CARRIER
11 and the treasurer shall at once pay the warrant from the general fund and the
12 appropriation made therefor in the general appropriation bill for the ~~state~~
13 ~~compensation fund~~ INSURANCE CARRIER.

14 Sec. 7. Section 23-963, Arizona Revised Statutes, is amended to read:
15 23-963. Provisions of compensation insurance policy

16 Every policy of insurance covering the liability of the employer for
17 workers' compensation, ~~whether issued by the state compensation fund or by~~
18 ~~another,~~ shall cover the entire liability of the employer to his employees
19 covered by the policy or contract, and be deemed to contain the following
20 provisions:

21 1. That as between the employee and the insurance carrier the notice
22 to or knowledge of the occurrence of the injury on the part of the employer
23 shall be deemed notice or knowledge of the insurance carrier.

24 2. That jurisdiction of the employer shall be jurisdiction of the
25 insurance carrier.

26 3. That the insurance carrier shall be bound by and subject to the
27 orders, findings, decisions and awards rendered against the employer for
28 payment of compensation.

29 4. That the insolvency or bankruptcy of the employer and his discharge
30 therein shall not relieve the insurance carrier or workers' compensation pool
31 from payment of compensation for injuries or death sustained by an employee
32 during the life of the policy or contract.

33 Sec. 8. Section 23-966, Arizona Revised Statutes, is amended to read:
34 23-966. Failure of employer or insurance carrier to pay claim
35 or comply with commission order; reimbursement of
36 funds

37 A. If an insurance carrier or self-insured employer or other employer
38 authorized by the commission to process or pay claims directly pursuant to
39 this chapter does not fully comply with the provisions of the workers'
40 compensation law relating to the PROCESSING OR payment of compensation,
41 medical benefits or the final orders of the commission, the workers'
42 compensation claims shall be assigned by the commission to the ~~state~~
43 ~~compensation~~ SPECIAL fund, ~~and the state compensation fund shall process the~~
44 ESTABLISHED BY SECTION 23-1065. THE SPECIAL FUND SHALL ENSURE THAT THESE
45 claims ARE PROCESSED and pay such THAT compensation, benefits or amounts due
46 ~~on behalf of and under the direction of the special fund established by~~

1 ~~section 23-1065. The special fund shall periodically, but not less~~
2 ~~frequently than quarterly, reimburse the state compensation fund for the~~
3 ~~compensation, benefits or amounts so paid, together with reasonable~~
4 ~~administrative costs, necessary expenses and reasonable attorney fees~~ ARE
5 PAID. THE SPECIAL FUND MAY USE THIRD-PARTY PROCESSORS OR OTHER LEGAL,
6 MEDICAL, CLAIMS OR LABOR MARKET PERSONNEL TO ASSIST IN THE PROCESSING AND
7 PAYMENT OF CLAIMS ASSIGNED UNDER THIS SECTION.

8 B. In addition to ~~any reimbursement~~ EXPENDITURES authorized under
9 subsection A of this section, the special fund may use monies for any expense
10 or service that is necessary to ENSURE THAT CLAIMS ASSIGNED UNDER SUBSECTION
11 A OF THIS SECTION ARE PROCESSED AND PAID, NECESSARY TO assist in the
12 determination of liability of a claim that is assigned under this section or
13 ~~collected~~ NECESSARY TO ASSIST IN THE COLLECTION OF MONIES OWED TO THE SPECIAL
14 FUND UNDER THIS SECTION, INCLUDING COLLECTION against the cash, securities,
15 bond and other assets of the insurance carrier or employer. These expenses
16 may include travel, discovery procedures and employing any THIRD-PARTY
17 PROCESSOR, expert, consultant or professional, including an attorney,
18 auditor, examiner or actuary. THE SPECIAL FUND SHALL REIMBURSE THE
19 ADMINISTRATIVE FUND FOR ALL EXPENSES INCURRED BY THE ADMINISTRATIVE FUND
20 RELATED TO THE PROCESSING AND PAYMENT OF CLAIMS ASSIGNED UNDER THIS SECTION.

21 C. The special fund shall have a claim against the insurance carrier
22 or employer for all monies that are spent or anticipated to be spent under
23 this section, including administrative costs, necessary expenses and attorney
24 fees. Any claim by the special fund shall be made on the cash, securities or
25 bond filed under section 23-961 or applicable rules or on any other asset of
26 the insurance carrier or employer.

27 D. The commission may increase the assessment established in section
28 23-1065 by not to exceed one-half of one per cent of such assessment in any
29 one year to reimburse the special fund for its ~~net~~ loss incurred under this
30 section.

31 Sec. 9. Title 23, chapter 6, article 4, Arizona Revised Statutes, is
32 amended by adding section 23-970, to read:

33 23-970. Misrepresentation of payroll, job description, job
34 function or loss history affecting premium payment;
35 violation; classification; penalty; civil action

36 A. IT IS UNLAWFUL FOR AN EMPLOYER TO WILFULLY MISREPRESENT TO AN
37 INSURANCE CARRIER THE AMOUNT OF PAYROLL, THE JOB DESCRIPTION OR JOB FUNCTION
38 OF AN EMPLOYEE, OR THE EMPLOYER'S LOSS HISTORY, ON WHICH THE PREMIUM FOR
39 WORKERS' COMPENSATION INSURANCE TO BE PAID TO THE INSURANCE CARRIER IS BASED.

40 B. AN EMPLOYER THAT VIOLATES SUBSECTION A IS GUILTY OF A CLASS 6
41 FELONY.

42 C. IN ADDITION TO THE PUNISHMENT THAT MAY BE IMPOSED PURSUANT TO
43 SUBSECTION B, AN EMPLOYER THAT VIOLATES SUBSECTION A IS LIABLE FOR A PENALTY
44 OF UP TO THREE TIMES THE AMOUNT OF THE DIFFERENCE IN PREMIUM PAID AND THE
45 AMOUNT THE EMPLOYER SHOULD HAVE PAID. THE PENALTY SHALL BE COLLECTED IN A
46 CIVIL ACTION BY THE INSURANCE CARRIER, IN ADDITION TO ANY OTHER DAMAGES THAT

1 ARE INCURRED BY THE INSURANCE CARRIER DUE TO THE MISREPRESENTATION, INCLUDING
2 COSTS AND ATTORNEY FEES. THE INSURANCE CARRIER SHALL INITIATE THE CIVIL
3 ACTION WITHIN FOUR YEARS AFTER THE DATE THE INSURANCE CARRIER KNEW OR WITH
4 THE EXERCISE OF REASONABLE DILIGENCE SHOULD HAVE KNOWN OF THE
5 MISREPRESENTATION. THE INSURANCE CARRIER MAY INITIATE THE CIVIL ACTION
6 REGARDLESS OF WHETHER A CRIMINAL ACTION IS BROUGHT AGAINST THE EMPLOYER.

7 Sec. 10. Repeal

8 Sections 23-1005 and 23-1006, Arizona Revised Statutes, are repealed.

9 Sec. 11. Section 23-1021, Arizona Revised Statutes, is amended to
10 read:

11 23-1021. Right of employee to compensation

12 ~~A.~~ Every employee coming within the provisions of this chapter who is
13 injured, and the dependents of every such employee who is killed by accident
14 arising out of and in the course of his employment, wherever the injury
15 occurred, unless the injury was purposely self-inflicted, shall be entitled
16 to receive and shall be paid such compensation for loss sustained on account
17 of the injury or death, such medical, nurse and hospital services and
18 medicines, and such amount of funeral expenses in the event of death, as are
19 provided by this chapter.

20 ~~B. Every employee who is covered by insurance in the state
21 compensation fund and who is injured by accident arising out of and in the
22 course of employment, and the dependents of every such employee who is
23 killed, provided the injury was not purposely self-inflicted, shall be paid
24 such compensation from the state compensation fund for loss sustained on
25 account of the injury and shall receive such medical, nurse and hospital
26 services and medicines, and such amount of funeral expenses in event of
27 death, as provided in this chapter.~~

28 Sec. 12. Section 23-1026, Arizona Revised Statutes, is amended to
29 read:

30 23-1026. Periodical medical examination of employee; effect of
31 refusal or obstruction of examination or treatment

32 A. An employee who may be entitled to compensation under this chapter
33 shall submit himself for medical examination from time to time at a place
34 reasonably convenient for the employee, if and when requested by the
35 commission, ~~the state compensation fund,~~ his employer or the insurance
36 carrier. A place is reasonably convenient even if it is not where the
37 employee resides if it is the place where the employee was injured and the
38 employer or the insurance carrier pays in advance the employee's reasonable
39 travel expenses, including the cost of transportation, food, lodging and loss
40 of pay, if applicable.

41 B. The request for the medical examination shall fix a time and place
42 having regard to the convenience of the employee, his physical condition and
43 his ability to attend. The employee may have a physician present at the
44 examination if procured and paid for by himself.

45 C. If the employee refuses to submit to the medical examination or
46 obstructs the examination, his right to compensation shall be suspended until

1 the examination has been made, and no compensation shall be payable during or
2 for such period.

3 D. A physician who makes or is present at the medical examination
4 provided by this section may be required to testify as to the result thereof.

5 E. Upon appropriate application and hearing, the commission may reduce
6 or suspend the compensation of an employee who persists in unsanitary or
7 injurious practices tending to imperil or retard his recovery, or who refuses
8 to submit to medical or surgical treatment reasonably necessary to promote
9 his recovery.

10 F. An employee shall be excused from attending a scheduled medical
11 examination if the employee requests a protective order and the
12 administrative law judge finds that the scheduled examination is unnecessary,
13 would be cumulative or could reasonably be timely scheduled with an
14 appropriate physician where the employee resides. If a protective order is
15 requested the burden is on the employer or insurance carrier to establish
16 that a medical examination should be scheduled at a place other than where
17 the employee resides. If an employee has left this state and the employer or
18 insurance carrier pays in advance the employee's reasonable travel expenses,
19 including the cost of transportation, food, lodging and loss of pay, if
20 applicable, the employer or insurance carrier is entitled to have the
21 employee return to this state one time a year for examination or one time
22 following the filing of a petition to reopen.

23 Sec. 13. Section 23-1029, Arizona Revised Statutes, is amended to
24 read:

25 23-1029. Repeal of chapter; effect on rights of parties

26 ~~A.~~ If the provisions of this chapter relative to compensation for
27 injuries to or death of workmen are repealed, and the injury or death has not
28 previously been compensated by lump payment or completed monthly payments,
29 the period intervening between the injury or death and the repeal shall not
30 be computed as a part of the time limited by law for the commencement of any
31 action relating to such injury or death. The action shall be commenced
32 within one year after the repeal and any amount paid as compensation shall be
33 deducted from the right of recovery.

34 ~~B. In event of such repeal, all money in the state compensation fund~~
35 ~~at the time of the repeal shall be subject to disposition by the legislature.~~

36 Sec. 14. Section 23-1065, Arizona Revised Statutes, is amended to
37 read:

38 23-1065. Special fund; purposes; investment committee

39 A. The industrial commission may direct the payment into the state
40 treasury of not to exceed one and one-half per cent of all premiums received
41 by ~~the state compensation fund and~~ private insurance carriers during the
42 immediately preceding calendar year. The same percentage shall be assessed
43 against self-insurers based on the total cost to the self-insured employer as
44 provided in section 23-961, subsection J. Such assessments shall be computed
45 on the same premium basis as provided for in section 23-961, subsections J,
46 K, L, M and N and shall be no more than is necessary to keep the special fund

1 actuarially sound. Such payments shall be placed in a special fund within
2 the administrative fund to provide, at the discretion of the commission, such
3 additional awards as may be necessary to enable injured employees to accept
4 the benefits of any law of ~~the~~ THIS state or of the United States, or both
5 jointly, for promotion of vocational rehabilitation of persons disabled in
6 industry.

7 B. In claims involving an employee who has a preexisting
8 industrially-related permanent physical impairment of the type specified in
9 section 23-1044, subsection B and who thereafter suffers an additional
10 permanent physical impairment of the type specified in such subsection, the
11 claim involving the subsequent impairment is eligible for reimbursement, as
12 provided by subsection D of this section, according to the following:

13 1. The employer in whose employ the subsequent impairment occurred or
14 its insurance carrier is solely responsible for all temporary disability
15 compensation to which the employee is entitled and for an amount equal to the
16 permanent disability compensation provided by section 23-1044, subsection B
17 for the subsequent impairment. If the employee is determined to have
18 sustained no loss of earning capacity after the medically stationary date,
19 the employer or carrier shall pay him as a vocational rehabilitation bonus
20 the amount calculated under this paragraph as a lump sum, which shall be a
21 credit against any permanent compensation benefits awarded in any subsequent
22 proceeding. The amount of the vocational rehabilitation bonus for which the
23 employer or carrier is responsible under this paragraph shall be calculated
24 solely on physical, medically rated permanent impairment and not on
25 occupational or other factors.

26 2. If the commission determines that the employee is entitled to
27 compensation for loss of earning capacity under section 23-1044, subsection C
28 or permanent total disability under section 23-1045, subsection B, the total
29 amount of permanent benefits for which the employer or carrier is solely
30 responsible under paragraph 1 of this subsection shall be expended first,
31 with monthly payments made according to the loss of earning capacity or
32 permanent total disability award. The employer or carrier and the special
33 fund are equally responsible for the remaining amount of compensation for
34 loss of earning capacity under section 23-1044, subsection C or permanent
35 total disability under section 23-1045, subsection B. This paragraph shall
36 not be construed as requiring payment of any benefits under section 23-1044,
37 subsection B in any case in which an employee is entitled to benefits for
38 loss of earning capacity under section 23-1044, subsection C or permanent
39 total disability benefits under section 23-1045, subsection B.

40 C. In claims involving an employee who has a preexisting physical
41 impairment ~~which~~ THAT is not industrially-related and, whether congenital or
42 due to injury or disease, is of such seriousness as to constitute a hindrance
43 or obstacle to employment or to obtaining reemployment if the employee
44 becomes unemployed, and the impairment equals or exceeds a ten per cent
45 permanent impairment evaluated in accordance with the American medical
46 association guides to the evaluation of permanent impairment, and the

1 employee thereafter suffers an additional permanent impairment not of the
2 type specified in section 23-1044, subsection B, the claim involving the
3 subsequent impairment is eligible for reimbursement, as provided by
4 subsection D of this section, under the following conditions:

5 1. The employer in whose employ the subsequent impairment occurred or
6 its carrier is solely responsible for all temporary disability compensation
7 to which the employee is entitled.

8 2. The employer had knowledge of the permanent impairment at the time
9 the employee was hired, or that the employee continued in employment after
10 the employer acquired such knowledge.

11 3. The employee's preexisting impairment is due to one or more of the
12 following:

- 13 (a) Epilepsy.
- 14 (b) Diabetes.
- 15 (c) Cardiac disease.
- 16 (d) Arthritis.
- 17 (e) Amputated foot, leg, arm or hand.
- 18 (f) Loss of sight of one or both eyes or a partial loss of uncorrected
19 vision of more than seventy-five per cent bilaterally.
- 20 (g) Residual disability from poliomyelitis.
- 21 (h) Cerebral palsy.
- 22 (i) Multiple sclerosis.
- 23 (j) Parkinson's disease.
- 24 (k) Cerebral vascular accident.
- 25 (l) Tuberculosis.
- 26 (m) Silicosis.
- 27 (n) Psychoneurotic disability following treatment in a recognized
28 medical or mental institution.
- 29 (o) Hemophilia.
- 30 (p) Chronic osteomyelitis.
- 31 (q) Hyperinsulinism.
- 32 (r) Muscular dystrophies.
- 33 (s) Arteriosclerosis.
- 34 (t) Thrombophlebitis.
- 35 (u) Varicose veins.
- 36 (v) Heavy metal poisoning.
- 37 (w) Ionizing radiation injury.
- 38 (x) Compressed air sequelae.
- 39 (y) Ruptured intervertebral disk.

40 4. The employer or carrier and the special fund are equally
41 responsible for the amount of compensation for loss of earning capacity under
42 section 23-1044, subsection C or permanent total disability under section
43 23-1045, subsection B.

44 D. The employer or insurance carrier shall notify the commission of
45 its intent to claim reimbursement for an eligible claim under subsection B or
46 C of this section not later than the time the employer or insurance carrier

1 notifies the commission pursuant to section 23-1047, subsection A. Upon
2 receiving notice the commission may expend funds from the special fund
3 created by this section for travel and discovery procedures and for the
4 employment of such independent legal, medical, rehabilitation, claims or
5 labor market consultants or experts as may be deemed necessary by the
6 commission to assist in the determination of the liability of the special
7 fund, if any, under subsection B or C of this section. In the event there is
8 any dispute regarding liability to the special fund pursuant to subsection B
9 or C of this section, the commission shall not delay the issuance of a
10 permanent award pursuant to section 23-1047, subsection B.

11 E. If the special fund created by this section is determined to be
12 liable under either subsection B or C of this section, the employer or
13 insurance carrier ~~which~~ THAT is primarily liable shall pay the entire amount
14 of the award to the injured employee and the commission shall by rule provide
15 for the reimbursement of the employer or insurance carrier on an annual
16 basis. In any case arising out of subsection B or C of this section, the
17 written approval of the special fund is required for the compromise of any
18 claim made pursuant to section 23-1023. In any such case, written approval
19 shall not be unreasonably withheld by the special fund, carrier, self-insured
20 employer or other person responsible for the payment of compensation.
21 Failure to obtain the written approval of the special fund shall not cause
22 the injured worker to lose any benefits but ends the special fund's liability
23 for reimbursement and makes the employer or carrier solely responsible for
24 the payment of the remaining benefits.

25 F. The employer or insurance carrier shall make its claim for
26 reimbursement to the commission no later than November 1 each year, for
27 payments made pursuant to subsection B or C of this section during the twelve
28 months prior to October 1 each year. Claims shall be paid before December 31
29 each year. If the total annual reserved liabilities of the special fund
30 obligated under subsections B and C of this section exceed six million
31 dollars, as determined by the annual actuarial study performed pursuant to
32 subsection I of this section, the commission, after notice and a hearing, may
33 levy an additional assessment under subsection A of this section of up to
34 one-half per cent to meet such liabilities. Any insurance carrier or
35 employer who may be adversely affected by the additional assessment may at
36 any time prior to the sixtieth day after such additional assessment is
37 ordered file a complaint challenging the validity of the additional
38 assessment in the superior court in Maricopa county for a judicial review of
39 the additional assessment. On judicial review the determination of the
40 commission shall be upheld if supported by substantial evidence in the record
41 considered as a whole.

42 G. In the event the injured employee is awarded additional
43 compensation, under subsection A of this section, the commission retains
44 jurisdiction to amend, alter or change the award upon a change in the
45 physical condition of the injured employee resulting from the injury.

1 H. On receiving notice that the special fund may be liable under this
2 chapter, the commission may spend monies from the special fund established by
3 this section for expenses that are necessary to assist in the processing,
4 payment or determination of liability of the fund. These expenses may
5 include travel, discovery procedures and employing any legal, medical,
6 rehabilitation, claims or labor market consultant, examiner or expert.

7 I. The commission shall cause an annual actuarial study of the special
8 award fund to be made by a qualified actuary who is a member of the society
9 of actuaries. The actuary shall make specific recommendations for
10 maintaining the fund on a sound actuarial basis. The actuarial study shall
11 be completed on or before September 1.

12 J. The special fund of the commission consists of all monies from
13 premiums and assessments, except penalties assessed pursuant to this chapter,
14 received and paid into the fund, property and securities acquired by the use
15 of monies in the fund, interest earned on monies in the fund and other monies
16 derived from the sale, use or lease of properties belonging to the fund. The
17 special fund created by this section shall be administered by the director of
18 the industrial commission, subject to the authority of the industrial
19 commission. The director of the commission with approval of the investment
20 committee, in the administration of the special fund, may provide loans,
21 subject to repayment, budgetary review and legislative appropriation, to the
22 administrative fund for the purposes and subject to section 23-1081, acquire
23 real property and acquire or construct a building or other improvements on
24 the real property as may be necessary to house, contain, furnish, equip and
25 maintain offices and space for departmental and operational facilities of the
26 commission. The commission when using space constructed pursuant to this
27 section shall make equal payments of rent on a semiannual basis, which shall
28 be deposited in the special fund. The investment committee shall determine
29 the amount of the rent, which must be at least equal to or greater than that
30 determined by the joint committee on capital review for buildings of similar
31 design and construction as provided by section 41-792.01.

32 K. There is established an investment committee consisting of the
33 director and the chairman of the commission and three persons knowledgeable
34 in investments and economics appointed by the governor. Of the members
35 appointed by the governor, one shall be a professional in the investment
36 business, one shall represent workers' compensation insurers and one shall
37 represent self-insurers. The term of members appointed by the governor is
38 three years, which shall begin on July 1 and end on June 30 three years
39 later. The committee shall prescribe by rule investment policies and
40 supervise the investment activities of the special fund.

41 L. Each member of the investment committee, other than the director of
42 the commission, is eligible to receive from the special fund:

43 1. Compensation of fifty dollars for each day while in actual
44 attendance at meetings of the investment committee.

45 2. Reimbursement for expenses pursuant to title 38, chapter 4,
46 article 2.

1 M. The investment committee shall meet at least once every month.

2 N. The investment committee shall periodically review and assess the
3 investment strategy.

4 O. The investment committee, by resolution, may invest and reinvest
5 the surplus or reserves in the funds established under this chapter in any
6 legal investments authorized under section 38-719.

7 P. In addition to the investments authorized under section 38-719, the
8 investment committee may approve the investment in real property and
9 improvements on real property to house and maintain offices of the
10 commission, including spaces for its departmental and operational facilities.
11 Title to the real estate and improvements on the real estate vests in the
12 special fund of the commission, and the assets become part of the fund as
13 provided by this section.

14 Q. The investment committee may appoint a custodian for the
15 safekeeping of all or any portion of the investments owned by the special
16 fund of the commission and may register stocks, bonds and other investments
17 in the name of a nominee. Except for investments held by a custodian or in
18 the name of a nominee, all securities purchased pursuant to subsection O of
19 this section shall promptly be deposited with the state treasurer as
20 custodian thereof, who shall collect the dividends, interest and principal
21 thereof, and pay, when collected, into the special fund. The state treasurer
22 shall pay all vouchers drawn for the purchase of securities. The director
23 may sell any of the securities as the director deems appropriate, if
24 authorized by resolution of the investment committee, and the proceeds
25 therefrom shall be payable to the state treasurer for the account of the
26 special fund upon delivery of the securities to the purchaser or the
27 purchaser's agent.

28 Sec. 15. Section 23-1070, Arizona Revised Statutes, is amended to
29 read:

30 23-1070. Medical, surgical and hospital benefits provided by
31 employer

32 A. An employer, other than the state or a political subdivision
33 thereof, who secures compensation to his employees in the manner provided in
34 ~~either SECTION 23-961, subsection A, paragraph 1, or subsection A, paragraph~~
35 ~~2 of section 23-961~~, alone or jointly with other employers ~~may~~, in lieu of
36 making premium payments for medical, surgical and hospital benefits, ~~MAY~~
37 provide such benefits to injured employees and may collect one-half of the
38 cost thereof from his employees, not to exceed one dollar per month from any
39 employee, which may be deducted from the wages of the employee.

40 B. An employer electing to provide such benefits shall notify his
41 insurance carrier and the commission of the election and render a detailed
42 statement of the arrangements made therefor to the commission.

43 C. An employer who maintains a hospital for his employees or who
44 contracts with a physician for the hospital care of injured employees ~~shall~~,
45 on or before January 30 each year, ~~SHALL~~ make a verified written report to
46 the commission for the preceding year showing the total amount of hospital

1 fees collected and showing separately the amount contributed by the employees
2 and the amount contributed by the employers. The report shall also contain
3 an itemized account of the expenditures, investments or other disposition of
4 the fees, and a statement showing the balance remaining.

5 D. An employer who fails to notify his insurance carrier and the
6 commission of his election to provide such benefits, or who maintains a
7 hospital or contracts for hospital service as provided in subsection C of
8 this section, and fails to make the financial report required therein, is
9 liable for such benefits as provided in section 23-1062.

10 E. If the medical, surgical or hospital aid or treatment being
11 furnished by an employer is such that there is reasonable ground to believe
12 that the health, life or recovery of any employee is endangered or impaired
13 thereby, the commission ~~may~~, upon application of the employee or upon its own
14 motion, ~~MAY~~ order a change of physicians or other conditions. If the
15 employer fails to comply with the order promptly, the injured employee may
16 elect to have medical, surgical or hospital aid or treatment provided by or
17 through the ~~state compensation~~ SPECIAL fund ~~ESTABLISHED BY SECTION~~
18 ~~23-1065~~. In that event the claim of the injured employee against the
19 employer shall be assigned to the ~~state compensation~~ SPECIAL fund for the
20 benefit thereof, and the ~~state compensation~~ SPECIAL fund shall furnish to the
21 insured employee medical, surgical or hospital aid or treatment as provided
22 in this chapter.

23 Sec. 16. Section 23-1091, Arizona Revised Statutes, is amended to
24 read:

25 23-1091. Assigned risk plan

26 A. An insurer may decline to issue a workers' compensation or
27 occupational disease policy to an employer. An employer who is refused
28 coverage by ~~the state compensation fund and~~ two or more ~~other~~ insurers shall
29 be placed in the assigned risk plan established by this section.

30 B. There shall be only one workers' compensation assigned risk plan in
31 this state. The director of the department of insurance shall contract with
32 a qualified party to be the assigned risk plan administrator.

33 C. The administrator may charge all insurers transacting workers'
34 compensation insurance in this state a reasonable fee to administer the
35 assigned risk plan. Each insurer shall pay a share of the fee based on the
36 insurer's share of the preceding calendar year's total net direct workers'
37 compensation and occupational disease compensation insurance premiums written
38 in this state.

39 D. The assigned risk plan administrator shall develop a plan of
40 operation and, on approval by the director of the department of insurance,
41 shall issue a directive for the equitable apportioning of assigned risks
42 among all the insurers, ~~including the state compensation fund~~. At any time,
43 the director of the department of insurance may require the assigned risk
44 plan administrator to amend the plan of operation. The plan shall include at
45 least the following:

1 1. A method for the administrator to select one or more insurers
2 transacting workers' compensation insurance in this state to act as servicing
3 carriers. An administrator that is an insurer may act as its own servicing
4 carrier. The administrator shall monitor the performance of the servicing
5 carriers and shall measure performance against the administrator's
6 established standards. A servicing carrier shall:

7 (a) Provide coverage for the risks placed in the assigned risk plan.

8 (b) Pay claims.

9 (c) Provide safety management services.

10 (d) Perform other activities that are related to the preliminary and
11 subsequent effectuation of the contract and that arise out of the contract,
12 including paying commissions to any licensed property and casualty agent or
13 broker in this state.

14 2. A method for apportioning the workers' compensation assigned risks
15 among all insurers, ~~including the state compensation fund.~~

16 E. Unless the director ~~determines~~ **DECIDES** to use another method, the
17 rates used to determine the premiums of risks in the assigned risk plan are
18 the rates annually filed with the director of the department of insurance by
19 the designated rating organization pursuant to section 20-357, subsection B,
20 unless the director requires the use of rates from another rating
21 organization, plus a uniform percentage increase that applies to all
22 classifications, that is determined by the designated rating organization or,
23 if the director directs, another rating organization and that is subject to
24 approval by the director. The expected loss rates, ballast factors and other
25 factors for use with the uniform experience rating plan as described in title
26 20, chapter 2, article 4 and filed with the director also apply to experience
27 rated risks in the assigned risk plan.

28 F. Rating classifications used in the assigned risk plan shall conform
29 to the uniform classification plan. Subclassifications and rating rule
30 deviations shall not be used in the assigned risk plan.

31 G. All insurers participating in workers' compensation or occupational
32 disease compensation insurance shall participate in the assigned risk plan.

33 H. Distribution of assignments among insurers shall be made in
34 proportion to each insurer's share of the preceding calendar year's total net
35 direct workers' compensation and occupational disease compensation insurance
36 premium written in this state, as far as practicable.

37 I. An insurer that refuses to participate in the assigned risk plan
38 shall not be authorized to write workers' compensation coverage in this
39 state. If an insurer refuses to participate in the assigned risk plan after
40 being authorized to write workers' compensation coverage in this state, the
41 insurer's authorization shall be revoked. If an insurer withdraws from or is
42 terminated from writing workers' compensation coverage in this state, the
43 insurer remains responsible for all injuries sustained during the period of
44 coverage stated in the policies of that insurer.

1 Sec. 17. Section 41-791, Arizona Revised Statutes, is amended to read:
2 41-791. Powers and duties relating to public buildings
3 maintenance; compensation of personnel

4 A. The department is responsible for the direction and control of
5 public buildings maintenance as prescribed in this article.

6 B. The department is responsible for the allocation of space,
7 operation, alteration, renovation and security of the following buildings:

8 1. The state capitol executive tower of the state capitol building.

9 2. The state office buildings in Tucson.

10 3. All other buildings owned or leased by the state and located near
11 the state capitol building and the state office buildings in Tucson, except
12 for:

13 (a) Buildings occupied, operated and maintained by the following state
14 agencies:

15 (i) The department of transportation.

16 (ii) The Arizona power authority.

17 ~~(iii) The state compensation fund.~~

18 (b) The state capitol museum, the legislative services wing, house of
19 representatives and senate wings of the state capitol building and the public
20 records retention center subject to section 41-1304.

21 (c) The department of economic security facilities purchased with
22 federal funding assistance and exclusively and continuously operated and
23 maintained for its own occupancy.

24 (d) The Arizona courts building.

25 C. The department is responsible for the maintenance of the following
26 buildings and grounds:

27 1. The entire state capitol building and the grounds adjacent to it.

28 2. The state office buildings in Tucson and the grounds adjacent to
29 them.

30 3. Other buildings and grounds owned or leased by the state if the
31 function is not otherwise assigned, except for the interior of the Arizona
32 courts building.

33 D. The director may establish rules for the operation, maintenance and
34 security of buildings and grounds under his jurisdiction.

35 E. The department shall:

36 1. Employ engineers and maintenance and operations personnel as
37 required, including a buildings manager for the state office buildings in
38 Tucson.

39 2. Determine the hours of duty and assignment of personnel.

40 F. All personnel employed under this article are eligible to receive
41 compensation as determined under section 38-611.

42 Sec. 18. Section 41-2501, Arizona Revised Statutes, is amended to
43 read:

44 41-2501. Applicability

1 A. This chapter applies only to procurements initiated after January
2 1, 1985 unless the parties agree to its application to procurements initiated
3 before that date.

4 B. This chapter applies to every expenditure of public monies,
5 including federal assistance monies except as otherwise specified in section
6 41-2637, by this state, acting through a state governmental unit as defined
7 in this chapter, under any contract, except that this chapter does not apply
8 to either grants as defined in this chapter, or contracts between this state
9 and its political subdivisions or other governments, except as provided in
10 chapter 24 of this title and in article 10 of this chapter. This chapter
11 also applies to the disposal of state materials. This chapter and rules
12 adopted under this chapter do not prevent any state governmental unit or
13 political subdivision from complying with the terms of any grant, gift,
14 bequest or cooperative agreement.

15 C. All political subdivisions and other local public agencies of this
16 state may adopt all or any part of this chapter and the rules adopted
17 pursuant to this chapter.

18 D. The Arizona board of regents, ~~AND~~ the legislative and judicial
19 branches of state government ~~and the state compensation fund~~ are not subject
20 to this chapter except as prescribed in subsection E of this section.

21 E. The Arizona board of regents and the judicial branch shall adopt
22 rules prescribing procurement policies and procedures for themselves and
23 institutions under their jurisdiction. The rules must be substantially
24 equivalent to the policies and procedures prescribed in this chapter.

25 F. The Arizona state lottery commission is exempt from this chapter
26 for procurement relating to the design and operation of the lottery or
27 purchase of lottery equipment, tickets and related materials. The executive
28 director of the Arizona state lottery commission shall adopt rules
29 substantially equivalent to the policies and procedures in this chapter for
30 procurement relating to the design and operation of the lottery or purchase
31 of lottery equipment, tickets or related materials. All other procurement
32 shall be as prescribed by this chapter.

33 G. The Arizona health care cost containment system administration is
34 exempt from this chapter for provider contracts pursuant to section 36-2904,
35 subsection A and contracts for goods and services, including program
36 contractor contracts pursuant to title 36, chapter 29, articles 2 and 3. All
37 other procurement, including contracts for the statewide administrator of the
38 program pursuant to section 36-2903, subsection B, shall be as prescribed by
39 this chapter.

40 H. Arizona industries for the blind is exempt from this chapter for
41 purchases of finished goods from members of national industries for the blind
42 and for purchases of raw materials for use in the manufacture of products for
43 sale pursuant to section 41-1972. All other procurement shall be as
44 prescribed by this chapter.

45 I. Arizona correctional industries is exempt from this chapter for
46 purchases of raw materials, components and supplies that are used in the

1 manufacture or production of goods or services for sale entered into pursuant
2 to section 41-1622. All other procurement shall be as prescribed by this
3 chapter.

4 J. The state transportation board and the director of the department
5 of transportation are exempt from this chapter other than section 41-2586 for
6 the procurement of construction or reconstruction, including engineering
7 services, of transportation facilities or highway facilities and any other
8 services that are directly related to land titles, appraisals, real property
9 acquisition, relocation, property management or building facility design and
10 construction for highway development and that are required pursuant to title
11 28, chapter 20.

12 K. The Arizona highways magazine is exempt from this chapter for
13 contracts for the production, promotion, distribution and sale of the
14 magazine and related products and for contracts for sole source creative
15 works entered into pursuant to section 28-7314, subsection A, paragraph 5.
16 All other procurement shall be as prescribed by this chapter.

17 L. The secretary of state is exempt from this chapter for contracts
18 entered into pursuant to section 41-1012 to publish and sell the
19 administrative code. All other procurement shall be as prescribed by this
20 chapter.

21 M. This chapter is not applicable to contracts for professional
22 witnesses if the purpose of such contracts is to provide for professional
23 services or testimony relating to an existing or probable judicial proceeding
24 in which this state is or may become a party or to contract for special
25 investigative services for law enforcement purposes.

26 N. The head of any state governmental unit, in relation to any
27 contract exempted by this section from this chapter, has the same authority
28 to adopt rules, procedures or policies as is delegated to the director
29 pursuant to this chapter.

30 O. Agreements negotiated by legal counsel representing this state in
31 settlement of litigation or threatened litigation are exempt from this
32 chapter.

33 P. This chapter is not applicable to contracts entered into by the
34 department of economic security:

35 1. With a provider licensed or certified by an agency of this state to
36 provide child day care services or with a provider of family foster care
37 pursuant to section 8-503 or 36-554.

38 2. With area agencies on aging created pursuant to the older Americans
39 act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code sections 3001
40 through 3058ee).

41 3. For services pursuant to title 36, chapter 29, article 2.

42 4. With an eligible entity as defined by Public Law 105-285, section
43 673(1)(a)(i), as amended, for designated community services block grant
44 program monies and any other monies given to the eligible entity that
45 accomplishes the purpose of Public Law 105-285, section 672.

1 Q. The department of health services may not require that persons with
2 whom it contracts follow this chapter for the purposes of subcontracts
3 entered into for the provision of the following:

- 4 1. Mental health services pursuant to section 36-189, subsection B.
- 5 2. Services for the seriously mentally ill pursuant to title 36,
6 chapter 5, article 10.
- 7 3. Drug and alcohol services pursuant to section 36-141.
- 8 4. Domestic violence services pursuant to title 36, chapter 30,
9 article 1.

10 R. The department of health services is exempt from this chapter for
11 contracts for services of physicians at the Arizona state hospital.

12 S. Contracts for goods and services approved by the board of trustees
13 of the public safety personnel retirement system are exempt from this
14 chapter.

15 T. The Arizona department of agriculture is exempt from this chapter
16 with respect to contracts for private labor and equipment to effect cotton or
17 cotton stubble plow-up pursuant to rules adopted under title 3, chapter 2,
18 article 1. On or before September 1 of each year, the director of the
19 Arizona department of agriculture shall establish and announce costs for each
20 acre of cotton or cotton stubble to be abated by private contractors.

21 U. The Arizona state parks board is exempt from this chapter for
22 purchases of guest supplies and items for resale such as food, linens, gift
23 items, sundries, furniture, china, glassware and utensils for the facilities
24 located in the Tonto natural bridge state park.

25 V. The Arizona state parks board is exempt from this chapter for the
26 purchase, production, promotion, distribution and sale of publications,
27 souvenirs and sundry items obtained and produced for resale.

28 W. The Arizona state schools for the deaf and the blind are exempt
29 from this chapter when purchasing products through a cooperative that is
30 organized and operates in accordance with state law if such products are not
31 available on a statewide contract and are related to the operation of the
32 schools or are products for which special discounts are offered for
33 educational institutions.

34 X. Expenditures of monies in the morale, welfare and recreational fund
35 established by section 26-153 are exempt from this chapter.

36 Y. Notwithstanding section 41-2534, the director of the state
37 department of corrections may contract with local medical providers in
38 counties with a population of less than four hundred thousand persons
39 according to the most recent United States decennial census for the following
40 purposes:

- 41 1. To acquire hospital and professional medical services for inmates
42 who are incarcerated in state department of corrections facilities that are
43 located in those counties.
- 44 2. To ensure the availability of emergency medical services to inmates
45 in all counties by contracting with the closest medical facility that offers
46 emergency treatment and stabilization.

1 Z. The department of environmental quality is exempt from this chapter
2 for contracting for procurements relating to the water quality assurance
3 revolving fund program established pursuant to title 49, chapter 2,
4 article 5. The department shall engage in a source selection process that is
5 similar to the procedures prescribed by this chapter. The department may
6 contract for remedial actions with a single selection process. The exclusive
7 remedy for disputes or claims relating to contracting pursuant to this
8 subsection is as prescribed by article 9 of this chapter and the rules
9 adopted pursuant to that article. All other procurement by the department
10 shall be as prescribed by this chapter.

11 AA. The motor vehicle division of the department of transportation is
12 exempt from this chapter for third party authorizations pursuant to title 28,
13 chapter 13, only if all of the following conditions exist:

14 1. The division does not pay any public monies to an authorized third
15 party.

16 2. Exclusivity is not granted to an authorized third party.

17 3. The director has complied with the requirements prescribed in title
18 28, chapter 13 in selecting an authorized third party.

19 BB. This section does not exempt third party authorizations pursuant
20 to title 28, chapter 13 from any other applicable law.

21 CC. The state forester is exempt from this chapter for purchases and
22 contracts relating to wild land fire suppression and pre-positioning
23 equipment resources and for other activities related to combating wild land
24 fires and other unplanned risk activities, including fire, flood, earthquake,
25 wind and hazardous material responses. All other procurement by the state
26 forester shall be as prescribed by this chapter.

27 DD. The cotton research and protection council is exempt from this
28 chapter for procurements relating to its aflatoxin control program and for
29 contracts for research programs related to cotton production or protection.

30 EE. Expenditures of monies in the Arizona agricultural protection fund
31 established by section 3-3304 are exempt from this chapter.

32 Sec. 19. Section 41-4151, Arizona Revised Statutes, is amended to
33 read:

34 41-4151. Definitions

35 In this article, unless the context otherwise requires:

36 1. "Agency":

37 (a) Means any board, commission, department or other administrative
38 unit of this state established by the Constitution of Arizona or by enactment
39 of the legislature.

40 (b) Includes the legislature, the courts and the governor.

41 ~~(c) Does not include the state compensation fund.~~

42 2. "Agency web site" means an agency owned, operated or funded web
43 site connected to the internet and includes web sites accessed through the
44 "Arizona@yourservice" portal.

45 3. "Privacy policy statement" means a description of an agency's
46 information practices.

1 Sec. 20. Retroactivity
2 Section 20-367, Arizona Revised Statutes, as amended by this act,
3 applies retroactively to July 1, 2010.

4 Sec. 21. Effective date
5 Sections 1, 2 and 4 through 19 of this act are effective on January 1,
6 2013.

7 Sec. 22. Tax on self-insured employers
8 For the purposes of calculating any tax or assessment to be paid by an
9 authorized self-insured employer, including a workers' compensation pool
10 under title 23, chapter 6, Arizona Revised Statutes, the deviation rate is
11 set at ten per cent for calendar years 2013, 2014 and 2015.

APPROVED BY THE GOVERNOR APRIL 18, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2011.