

Fiscal Note

BILL # HB 2204

TITLE: workers' compensation rates; deviation

SPONSOR: Livingston

STATUS: As Amended by House COM

PREPARED BY: Ethan Scheider

Description

The bill would allow worker's compensation insurers to provide a premium credit of not more than 5% from the rating organization's uniform rate for policyholders enrolled in an association. The bill would also define an "association".

Estimated Impact

We estimate that the bill would not have a fiscal impact on the General Fund.

We have requested the Industrial Commission of Arizona's (ICA) estimated impact of this legislation and are awaiting their response. Any administrative costs would be paid from ICA's Administrative Fund.

Analysis

A.R.S. § 20-371 establishes that the director of Department of Insurance and Financial Institutions (DIFI) may designate a rating organization to annually determine and file statewide workers' compensation insurance rates. A.R.S. § 23-961 establishes that workers' compensation insurers are required to notify the ICA after it has insured an employer for workers' compensation.

Without input from the agency regarding the fiscal impact of allowing this 5% premium credit against the uniform rate, we are unable to determine the fiscal impact of this legislation to the state.

Local Government Impact

None

2/16/24

