

House Engrossed

insurers covering firefighters; rate deviation

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# HOUSE BILL 2271

AN ACT

AMENDING SECTION 20-359, ARIZONA REVISED STATUTES; RELATING TO INSURANCE RATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-359, Arizona Revised Statutes, is amended to  
3 read:

4 20-359. Deviations from filed workers' compensation rates

5 A. Every insurer shall adhere to the filings made by the rating  
6 organization of which it is a member, except that any member insurer may  
7 file with the director:

8 1. Up to six uniform percentage deviations that decrease or  
9 increase the statewide rate portion of the rating organization's rate  
10 filing. If more than one deviation is filed by an insurer, each deviation  
11 must be established consistent with the underwriting rules that are based  
12 on criteria that would lead to a logical distinction of potential risk.

13 2. A subclassification rate related rule that deviates from the  
14 rules or schedule rating plan filed by the insurer's rating organization.  
15 An insurer shall not simultaneously apply a deviation and a schedule  
16 rating to the same insured risk.

17 B. In addition to the six uniform percentage deviations authorized  
18 under subsection A, paragraph 1 of this section, ~~insurers~~ AN INSURER  
19 covering firefighters and fire investigators may file one uniform  
20 percentage deviation that increases the statewide rates under the rating  
21 organization's rate filing for the class codes associated with  
22 firefighters and fire investigators to address the anticipated increase in  
23 losses and expenses for claims that are compensable pursuant to section  
24 23-901.09 ONLY IF THE INSURER IS NOT REIMBURSED FOR CLAIMS FROM THE  
25 MUNICIPAL FIREFIGHTER CANCER REIMBURSEMENT FUND ESTABLISHED BY SECTION  
26 23-1702. The deviation filing shall be accompanied by AN analysis from an  
27 actuary that substantively illustrates the basis for the rate increase,  
28 including information made available by the industrial commission of  
29 Arizona pursuant to section 23-971 and the anticipated and, when  
30 available, actual combined loss ratio, claim frequency and claim severity  
31 associated with these claims. The supporting documentation submitted with  
32 the filing must be sufficient to allow the department to assess the  
33 reasonableness of the insurer's assumptions and justification for the  
34 deviation and shall include data related to workers' compensation  
35 indemnity and medical claims and administrative expenses associated  
36 specifically with presumptive coverage related to workers' compensation  
37 claims. The insurer may use data or ~~analysis~~ ANALYSES from any of the  
38 following sources:

- 39 1. The insured or insurer.
- 40 2. Self-funded employers providing workers' compensation.
- 41 3. The industrial commission of Arizona.
- 42 4. A risk retention pool.
- 43 5. Studies and information illustrating the state and national  
44 frequency of cancer among firefighters and fire investigators.
- 45 6. The assigned risk pool or assigned risk.

1           7. Claims and expense data from other relevant lines of insurance  
2 such as long-term disability insurance, group or individual major medical  
3 insurance or long-term care insurance.

4           8. Other available cancer-related statistics.

5           9. Relevant incurred but not reported workers' compensation claims  
6 ~~data~~.

7           C. The director may use independent contractor examiners to analyze  
8 the supporting justification of a requested deviation under subsection B  
9 of this section pursuant to section 20-358, subsection D.

10          D. Notwithstanding subsection A, paragraph 2 of this section, in  
11 addition to the deviation filing authorized under subsection B of this  
12 section, insurers may file and apply a schedule rating plan to adjust  
13 premiums associated with firefighters and fire investigators class codes,  
14 based on loss control programs or activities undertaken by the insurer to  
15 reduce losses associated with section 23-901.09. The schedule rating plan  
16 must be filed with and approved by the director and shall be in addition  
17 to and separate from any other schedule rating plan available to the  
18 insurer.

19          E. Each deviation filed shall be on file with the director for a  
20 waiting period of at least thirty days before it becomes effective, except  
21 that a deviation filed pursuant to subsection B of this section shall be  
22 on file with the director for at least sixty days before it becomes  
23 effective. On written application by the insurer making the filing, the  
24 director may authorize a filing to become effective before the waiting  
25 period expires. A deviation that is filed pursuant to subsection A,  
26 paragraph 1 of this section and that is not disapproved by the director  
27 expires the following December 31 at midnight in this state unless the  
28 director terminates the deviation sooner. A deviation that is filed  
29 pursuant to subsection A, paragraph 2 of this section continues until the  
30 insurer withdraws the deviation or the director determines that the  
31 deviation no longer meets the standards prescribed in section 20-356,  
32 paragraph 1. At any time the director may require an insurer to  
33 actuarially support a deviation. The insurer that files the deviation  
34 shall simultaneously send a copy of the filing to the rating organization  
35 of which it is a member and to any designated rating organization.

36          F. A rating organization shall notify the director if the  
37 organization disapproves any deviation relating to workers' compensation  
38 insurance. The director shall notify the industrial commission of Arizona  
39 of the disapproval within ten days after receipt of the disapproval from  
40 the rating organization.