

REFERENCE TITLE: **unfair claims settlement practices; chiropractic**

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1554

Introduced by
Senators Werner: Alston

AN ACT

AMENDING SECTIONS 20-461 AND 32-925, ARIZONA REVISED STATUTES; RELATING TO DOCTORS OF CHIROPRACTIC.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 20-461, Arizona Revised Statutes, is amended to
3 read:

4 20-461. Unfair claim settlement practices

5 A. A person shall not commit or perform with such a frequency to
6 indicate as a general business practice any of the following:

7 1. Misrepresenting pertinent facts or insurance policy provisions
8 relating to coverages at issue.

9 2. Failing to acknowledge and act reasonably and promptly ~~upon~~ ON
10 communications with respect to claims arising under an insurance policy.

11 3. Failing to adopt and implement reasonable standards for the
12 prompt investigation of claims arising under an insurance policy.

13 4. Refusing to pay claims without conducting a reasonable
14 investigation based ~~upon~~ ON all available information.

15 5. Failing to affirm or deny coverage of claims within a reasonable
16 time after proof of loss statements have been completed.

17 6. Not attempting in good faith to effectuate prompt, fair and
18 equitable settlements of claims in which liability has become reasonably
19 clear.

20 7. As a property or casualty insurer, failing to recognize a valid
21 assignment of a claim. The property or casualty insurer shall have the
22 rights consistent with the provisions of its insurance policy to receive
23 notice of loss or claim and to all defenses it may have to the loss or
24 claim, but not otherwise to restrict an assignment of a loss or claim
25 after a loss has occurred.

26 8. Compelling insureds to institute litigation to recover amounts
27 due under an insurance policy by offering substantially less than the
28 amounts ultimately recovered in actions brought by the insureds.

29 9. Attempting to settle a claim for less than the amount to which a
30 reasonable person would have believed he was entitled by reference to
31 written or printed advertising material accompanying or made part of an
32 application.

33 10. Attempting to settle claims on the basis of an application ~~which~~
34 ~~THAT~~ was altered without notice to, or knowledge or consent of, the
35 insured.

36 11. Making claims payments to insureds or beneficiaries not
37 accompanied by a statement setting forth the coverage under which the
38 payments are being made.

39 12. Making known to insureds or claimants a policy of appealing from
40 arbitration awards in favor of insureds or claimants for the purpose of
41 compelling them to accept settlements or compromises less than the amount
42 awarded in arbitration.

43 13. Delaying the investigation or payment of claims by requiring an
44 insured, a claimant or the physician of either to submit a preliminary
45 claim report and then requiring the subsequent submission of formal proof

1 of loss forms, both of which submissions contain substantially the same
2 information.

3 14. Failing to promptly settle claims if liability has become
4 reasonably clear under one portion of the insurance policy coverage in
5 order to influence settlements under other portions of the insurance
6 policy coverage.

7 15. Failing to promptly provide a reasonable explanation of the
8 basis in the insurance policy relative to the facts or applicable law for
9 denial of a claim or for the offer of a compromise settlement.

10 16. Attempting to settle claims for the replacement of any
11 nonmechanical sheet metal or plastic part ~~which~~ THAT generally constitutes
12 the exterior of a motor vehicle, including inner and outer panels, with an
13 aftermarket crash part ~~which~~ THAT is not made by or for the manufacturer
14 of an insured's motor vehicle unless the part meets the specifications of
15 section 44-1292 and unless the consumer is advised in a written notice
16 attached to or printed on a repair estimate ~~which~~ THAT:

17 (a) Clearly identifies each part.

18 (b) Contains the following information in ten point or larger type:

19 This estimate has been prepared based on the use of
20 replacement parts supplied by a source other than the
21 manufacturer of your motor vehicle. Warranties applicable to
22 these replacement parts are provided by the manufacturer or
23 distributor of these parts rather than the manufacturer of
24 your vehicle.

25 17. As an insurer subject to section 20-826, 20-1342, 20-1402 or
26 20-1404, or as an insurer of the same type as those subject to section
27 20-826, 20-1342, 20-1402 or 20-1404 that issues policies, contracts,
28 plans, coverages or evidences of coverage for delivery in this state,
29 failing to pay charges for reasonable and necessary services provided by
30 any physician licensed pursuant to title 32, chapter 8, 13 or 17, if the
31 services are within the lawful scope of practice of the physician and the
32 insurance coverage includes diagnosis and treatment of the condition or
33 complaint, regardless of the nomenclature used to describe the condition,
34 complaint or service.

35 18. Failing to comply with chapter 15 of this title.

36 19. Denying liability for a claim under a motor vehicle liability
37 policy in effect at the time of an accident without having substantial
38 facts based on reasonable investigation to justify the denial for damages
39 or injuries that are a result of the accident and that were caused by the
40 insured if the denial is based solely on a medical condition that could
41 affect the insured's driving ability.

42 B. ~~Nothing in~~ Subsection A, paragraph 17 of this section ~~shall be~~
43 ~~construed to~~ DOES NOT prohibit the application of deductibles,
44 coinsurance, preferred provider organization requirements, cost
45 containment measures or quality assurance measures if they are equally
46 applied to all types of physicians referred to in this section, and if any

1 limitation or condition placed upon payment to or upon services, diagnosis
2 or treatment by any physician covered by this section is equally applied
3 to all physicians referred to in subsection A, paragraph ~~16~~ 17 of this
4 section, without discrimination to the usual and customary procedures of
5 any type of physician. A determination under this section of
6 discrimination to the usual and customary procedures of any type of
7 physician shall not be based on whether an insurer applies medical
8 necessity review to a particular type of service or treatment.

9 C. In prescribing rules to implement this section, the director
10 shall follow, to the extent appropriate, the national association of
11 insurance commissioners unfair claims settlement practices model
12 regulation.

13 D. ~~Nothing contained in~~ This section ~~is intended to~~ DOES NOT
14 provide any private right or cause of action to or on behalf of any
15 insured or uninsured resident or nonresident of this state. ~~It is,~~
16 ~~however,~~ The specific intent of this section IS to provide solely an
17 administrative remedy to the director for any violation of this section or
18 rule related to this section.

19 E. The director shall deposit, pursuant to sections 35-146 and
20 35-147, all civil penalties collected pursuant to this article in the
21 state general fund.

22 Sec. 2. Section 32-925, Arizona Revised Statutes, is amended to
23 read:

24 32-925. Practice of chiropractic; limitations

25 A. A doctor of chiropractic is a portal of entry health care
26 provider who engages in the practice of health care that includes:

27 1. The diagnosis and correction of subluxations, functional
28 vertebral or articular dysarthrosis or neuromuscular skeletal disorders
29 for restoring and maintaining health.

30 2. Physical and clinical examinations, diagnostic x-rays, REFERRALS
31 FOR DIAGNOSTIC IMAGING, and clinical diagnostic laboratory procedures that
32 are limited to nasal swabs, oral swabs, sputum collection, urine
33 collection, finger pricks or venipuncture in order to determine the
34 propriety of a regimen of chiropractic care or to form a basis for
35 referring patients to other licensed health care professionals, or both.

36 3. Treatment by:

37 (a) Physical medicine modalities, therapeutic procedures and
38 adjustment of the spine or bodily articulations.

39 (b) Procedures related to the correction of subluxations and
40 neuromuscular skeletal disorders.

41 (c) Prescription of orthopedic supports.

42 (d) Acupuncture.

43 B. A doctor of chiropractic who is licensed under this chapter
44 shall not prescribe or administer medicine or drugs, perform surgery or
45 practice obstetrics.