

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 23. BOARD OF PHARMACY

[R06-285]

PREAMBLE

- | | |
|------------------------------------|---------------------------------|
| <u>1. Sections Affected</u> | <u>Rulemaking Action</u> |
| R4-23-202 | Amend |
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. § 32-1904(A)(1) and (5)
Implementing statutes: A.R.S. § 32-1922
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 12 A.A.R. 2971, August 18, 2006
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Dean Wright, Compliance Officer
Address:	Board of Pharmacy 4425 W. Olive Ave., Suite 140 Glendale, AZ 85302
Telephone:	(623) 463-2727, ext. 131
Fax:	(623) 934-0583
E-mail:	rxcop@cox.net
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**

The Board's staff discovered an incorrect citation in R4-23-202 (Licensure by Examination). Subsection R4-23-202(A)(2) cites A.R.S. § 32-1922(C) in relation to eligibility to obtain pharmacist licensure by examination, but A.R.S. § 32-1922(C) actually refers to the Board's ability to grant licensure without an examination when the other jurisdiction, that licenses the pharmacist, provides reciprocal licensure to Arizona pharmacists. The correct citation is A.R.S. § 32-1922(D). The proposed rule will change the citation from 32-1922(C) to 32-1922(D). The rule will include format, style, and grammar necessary to comply with the current rules of the Secretary of State and Governor's Regulatory Review Council.

The Board believes that approval of this rule benefits the public and the pharmacy community by clearly establishing the standards for pharmacist licensure by examination.
- 6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None

Notices of Proposed Rulemaking

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The proposed rule will impact the Board, pharmacists, and the public. The proposed rules' impact on the Board will be the usual rulemaking-related costs which are minimal. The Board estimates the proposed rule will have no economic impact on pharmacists, because the rule change is simply correcting a citation error. The proposed rule has no economic impact on the public.

The public, Board, and pharmacists benefit from rules that are clear, concise, and understandable. The proposed rule benefits the public and the pharmacy community by clearly establishing the standards for pharmacist licensure by examination.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Dean Wright, Compliance Officer
Address: Board of Pharmacy
4425 W. Olive Ave., Suite 140
Glendale, AZ 85302
Telephone: (623) 463-2727, ext. 131
Fax: (623) 934-0583
E-mail: rxcop@cox.net

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Comments may be written or presented orally. Written comments must be received by 5 p.m., Monday, September 18, 2006. An oral proceeding is scheduled for:

Date: September 18, 2006
Time: 10:00 a.m.
Location: 4425 W. Olive Ave., Suite 140
Glendale, AZ 85302

A person may request information about the oral proceeding by contacting the person listed in item #9.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 23. BOARD OF PHARMACY

ARTICLE 2. PHARMACIST LICENSURE

Section

R4-23-202. Licensure by Examination

ARTICLE 2. PHARMACIST LICENSURE

R4-23-202. Licensure by Examination

A. Eligibility. To be eligible for licensure as a pharmacist by examination, a person shall:

1. Have an undergraduate degree in pharmacy from a school or college of pharmacy whose professional degree program, at the time the person graduates, is accredited by the American Council on Pharmaceutical Education; or
2. Qualify under the requirements of A.R.S. § 32-1922(~~E~~)(D); and

3. Complete not less than 1500 hours of intern training as specified in R4-23-303.

B. No change

1. No change
 - a. No change
 - b. No change
 - c. No change
2. No change
3. No change
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
4. No change
 - a. No change
 - b. No change
 - i. No change
 - ii. No change
5. No change

C. No change

1. No change
2. No change
 - a. No change
 - b. No change
3. No change

D. No change

1. No change
2. No change

E. No change

1. No change
2. No change

F. No change

1. No change
 - a. No change
 - b. No change
 - c. No change
2. No change
 - a. No change
 - b. No change
 - c. No change
3. No change
4. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
5. No change
 - a. No change
 - b. No change
 - c. No change

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
ADMINISTRATION

[R06-287]

PREAMBLE

1. Sections Affected

R9-22-109
R9-22-901
R9-22-902
R9-22-903
R9-22-904
R9-22-905
R9-22-906
R9-22-907
R9-22-908
R9-22-909

Rulemaking Action

Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal
Repeal

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. § 36-2903.01(F)

Implementing statute: A.R.S. § 36-2903.01(B)(3)

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 12 A.A.R. 2773, August 4, 2006

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

The proposed rule provides current regulations for processing and finding erroneous Medicaid payments due to eligibility and recipient liability errors as detected through the Medicaid Eligibility Quality Control (MEQC) program. These processes are required in an Intergovernmental Agreement (IGA) and not in rule, therefore the MEQC related proposed rules are to be repealed.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The Administration foresees a minimal impact since the processes are not changed, the rules being repealed are addresses in an IGA between the Department and the Administration.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

Proposed rule language will be available on the AHCCCS web site www.azahcccs.gov the week of July 31, 2006. Please send written comments to the above address by 12:00 p.m., September 18, 2006. E-mail comments will be accepted.

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: September 18, 2006
Time: 10:00 a.m.
Location: AHCCCS
701 E. Jefferson
Phoenix, AZ 85034
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
110 S. Church, Suite 1360
Tucson, AZ 85701
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
3480 E. Route 66
Flagstaff, AZ 86004
Nature: Public Hearing

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

**CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
ADMINISTRATION**

ARTICLE 1. DEFINITIONS

Section

R9-22-109. ~~Quality Control Related Definitions~~ Repealed

~~ARTICLE 9. QUALITY CONTROL~~ REPEALED

Section

R9-22-901. ~~General Information~~ Repealed
R9-22-902. ~~Pre-Determination Quality Control (PDQC)~~ Repealed
R9-22-903. ~~Random Sample~~ Repealed
R9-22-904. ~~Targeted Sample~~ Repealed
R9-22-905. ~~Negative Case Action Sample~~ Repealed
R9-22-906. ~~Management Evaluation Review~~ Repealed
R9-22-907. ~~Challenge of Findings~~ Repealed
R9-22-908. ~~Corrective Action Plans~~ Repealed
R9-22-909. ~~Annual Assessment Period Report~~ Repealed

ARTICLE 1. DEFINITIONS

R9-22-109. ~~Quality Control Related Definitions~~ Repealed

~~“Active case” means an individual or family case determined eligible for AHCCCS medical coverage.~~

~~“Annual assessment period” means the 12 month period, October 1 through September 30, and includes two six month sample periods (October through March and April through September).~~

~~“Annual assessment period report” means the Administration’s report containing the annual error rates for the Random Sample, Target Sample, and Negative Case Action Sample.~~

~~“Case” means an individual or family determined eligible or ineligible for AHCCCS medical coverage.~~

~~“Case record” means an individual or family file retained by the Department which contains all pertinent eligibility information, including electronically stored data.~~

~~“Case review” means the Administration’s evaluation of an individual’s or family’s circumstances and case record in a review month to determine if an individual or family is eligible based on the actual circumstances verified for the action taken in a review month for AHCCCS.~~

~~“Corrective action plan” means a effective plan developed by the Department to reduce the Department’s error rate when an error rate exceeds a tolerance level.~~

~~“District” means the Department’s management unit based on geographical location that administers the eligibility programs.~~

~~“Error” means a review finding in which one or more members is found to be factually ineligible, approved for a program with more services under Title XIX than an applicant or member is entitled to, or discontinued or denied when a member is factually eligible in a review month. An error may include misclassification resulting in additional expenses or liability to the Administration or loss of AHCCCS medical coverage for the applicant or member.~~

~~“Finding” means a result based on the Administration’s review.~~

~~“Management evaluation review” means the process by which the Administration determines whether the Department meets specific performance measures.~~

~~“Notice of Findings” means a report provided to the Department by the Administration when a review is completed.~~

~~“Performance measures” means the methods by which the Administration determines the extent to which the Department meets the pre-determined standards and goals.~~

~~“Preponderance of evidence” means the greater weight of evidence.~~

~~“Random sample” means a representative population with each case having an equal chance of being chosen, having no spe-~~

ific pattern, purpose, organization, or structure other than as defined by case characteristic.

“Review period” means the April through September and October through March time periods that the Administration selects and completes a review of case records.

“Summary report” means the Administration’s report issued at the end of each six month review period summarizing all review findings including eligibility errors, technical errors, administrative deficiencies, and corrective action requirements.

“Tolerance level” means the percentage of errors which the Administration accepts.

ARTICLE 9. ~~QUALITY CONTROL~~ REPEALED

R9-22-901. ~~General Information~~ Repealed

- ~~A.~~ This Article defines the responsibilities, structure, and requirements of the Medicaid Eligibility Quality Control program (MEQC) which are further delineated in the Intergovernmental Agreement (IGA) under A.R.S. § 36-2903.01 between the Administration and the Department.
- ~~B.~~ The Administration conducts MEQC activities to:
 - 1. Determine the Department’s compliance with the IGA,
 - 2. Prevent or detect an eligibility error, and
 - 3. Determine compliance with performance measures.
- ~~C.~~ The Administration shall select cases, under Sections R9-22-903 through R9-22-905, for review on a monthly basis from eligibility determinations made in the previous month within each six month review period. Each six month review period sample will be statistically valid at 95 percent confidence level on a statewide or district basis in accordance with AHCCCS’ Quality Control Redesign Pilot as approved by CMS.

R9-22-902. ~~Pre-Determination Quality Control (PDQC)~~ Repealed

- ~~A.~~ The Department shall screen Title XIX applications, provide PDQC referrals to the Administration, and comply with the PDQC requirements.
- ~~B.~~ The Administration may conduct a case review prior to a determination of eligibility in order to avoid an error and prevent fraud.
- ~~C.~~ The Department shall compare the Administration’s review findings with information received during and after an interview under Article 14 and with previous applications to determine whether or not an individual or family is eligible based on a preponderance of evidence.

R9-22-903. ~~Random Sample~~ Repealed

- ~~A.~~ The Administration shall select a case from a statistically valid random sample of all cases approved or active for Title XIX during a review period, conduct a case review, and issue a Notice of Finding to the Department.
- ~~B.~~ The Administration may stratify cases by district.

R9-22-904. ~~Targeted Sample~~ Repealed

- ~~A.~~ The Administration may conduct a targeted case review based on specific criteria and issue a Notice of Finding to the Department.
- ~~B.~~ The Administration shall select a sample for a targeted review either on a random basis or on an individual case basis. The criteria may be by case characteristics, individual office or district, or other criteria determined by the Administration.

R9-22-905. ~~Negative Case Action Sample~~ Repealed

- ~~A.~~ The Administration shall select a case from a statistically valid random sample of all cases denied or discontinued from Title XIX during a review period, conduct a case review, and issue a Notice of Finding to the Department.
- ~~B.~~ The Administration may stratify cases by district.

R9-22-906. ~~Management Evaluation Review~~ Repealed

- ~~A.~~ The Administration shall perform a Management Evaluation Review of the Department under A.R.S. § 36-2903.01 to determine whether the performance measures are being met and include any findings in the Summary Report to the Department. No less than 12 Department eligibility sites will be reviewed annually.
- ~~B.~~ The Management Evaluation Reviews may include:
 - 1. Interviews with applicants, members and Department staff,
 - 2. Observation of local office practices,
 - 3. Reviews of notices sent to an applicant and a member,
 - 4. Reviews of pre-enrollment procedures,
 - 5. Other areas of the eligibility process for which the Department is responsible,
 - 6. The eligibility appeal process, or
 - 7. Interviews with department staff located in or staff employed by Federally Qualified Health Centers and Level One

Notices of Proposed Rulemaking

Trauma Centers to identify any barriers, including sufficient staffing, that delay the processing of applications.

R9-22-907. Challenge of Findings Repealed

A. Challenge Process.

- 1. The Department may challenge the Administration's error finding under R9-22-903 through R9-22-905 by submitting a written challenge to the Administration. The Administration shall receive the challenge no later than 15 days from the date of the Notice of Finding. The date of the Notice of Finding is the date the Notice is mailed.
2. The Department shall include evidence that refutes an error finding. The Department may include in its written challenge evidence obtained after the date of the Notice of Finding.
3. The Administration's finding shall be final if the Department fails to submit a challenge under the time frame in subsection (A)(1).

B. Administration Decision.

- 1. The Administration shall review, within 30 days of receipt, the Department's challenge of an error finding and either uphold or overturn a finding.
2. The Administration shall overturn an error finding if a preponderance of the evidence establishes that the Department's decision was not an error.
3. The Administration shall not consider a case an error in calculating the Department's error rate under R9-22-909(A) if the Administration overturns a finding.
4. The Department may file a grievance under Article 8 concerning the Administration's decision.

R9-22-908. Corrective Action Plans Repealed

A. The Administration shall issue a Summary Report to the Department following the completion of each review period.

B. The Department shall prepare and implement a corrective action plan if the Summary Report identifies an error rate greater than the tolerance level either statewide or by district or the Department fails to meet the performance measures delineated in the IGA.

C. The Department shall prepare, submit, and implement an effective corrective action plan for the Administration's finding under R9-22-906 when an office does not meet a level of compliance.

R9-22-909. Annual Assessment Period Report Repealed

The Administration shall issue an Annual Assessment Period Report. This report shall:

- 1. Serve as notification to the Department of the annual error rate determined for the Random Sample, Targeted Sample and Negative Case Action Sample,
2. Compare the error rate with the tolerance level for each sample, and
3. Serve as notification to the Department of a disallowed error rate and applicable financial sanction under A.R.S. § 36-2903.01.

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION

[R06-286]

PREAMBLE

1. Sections Affected

- R9-22-120
R9-22-2001
R9-22-2001
R9-22-2002
R9-22-2002
R9-22-2003
R9-22-2004
R9-22-2004
R9-22-2005
R9-22-2005
R9-22-2006
R9-22-2006
R9-22-2007

Rulemaking Action

- Repeal
Repeal
New Section
Repeal
New Section
Amend
Repeal
New Section
Repeal
New Section
Repeal
New Section
Repeal

Notices of Proposed Rulemaking

R9-22-2007
R9-22-2008

New Section
New Section

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. § 36-2903.01(F)

Implementing statute: A.R.S. § 36-2901.05

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 12 A.A.R. 2773, August 4, 2006

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

As a result of reviewing the proposed rules, changes were found necessary to update the rule with the agency's current practice and to make the rule clearer.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The changes proposed will have a minimal impact, since the changes represent current practice and do not affect or change processes of interested parties.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

Proposed rule language will be available on the AHCCCS web site www.azahcccs.gov the week of July 31, 2006. Please send written comments to the above address by 12:00 p.m., September 18, 2006. E-mail comments will be accepted.

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: September 18, 2006
Time: 10:00 a.m.
Location: AHCCCS
701 E. Jefferson
Phoenix, AZ 85034
Nature: Public Hearing

Notices of Proposed Rulemaking

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
110 S. Church, Suite 1360
Tucson, AZ 85701
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
3480 E. Route 66
Flagstaff, AZ 86004
Nature: Public Hearing

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

R9-22-2004, 42 U.S.C. 300gg(c), January 5, 1999

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

**CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
ADMINISTRATION**

ARTICLE 1. DEFINITIONS

Section

R9-22-120. ~~Breast and Cervical Cancer Treatment Program Related Definitions~~ Repealed

ARTICLE 20. BREAST AND CERVICAL CANCER TREATMENT PROGRAM

Section

R9-22-2001. ~~General Requirements~~ Breast and Cervical Cancer Treatment Program Related Definitions

R9-22-2002. ~~Treatment~~ General Requirements

R9-22-2003. Eligibility Criteria

R9-22-2004. ~~Title XIX Application Process~~ Treatment for Purposes of Eligibility

R9-22-2005. ~~Approval, Denial, or Discontinuance of Eligibility~~ Title XIX Application Process

R9-22-2006. ~~Effective Date of Eligibility~~ Approval, Denial, or Discontinuance of Eligibility

R9-22-2007. ~~Redetermination of Eligibility~~ Effective and End Date of Eligibility

R9-22-2008. Redetermination of Eligibility

ARTICLE 1. DEFINITIONS

R9-22-120. ~~Breast and Cervical Cancer Treatment Program Related Definitions~~ Repealed

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meaning unless the context explicitly requires another meaning:

“Cryotherapy” means the destruction of abnormal tissue using an extremely cold temperature.

“LEEP” means the loop electrosurgical excision procedure that passes an electric current through a thin wire loop.

“Peer reviewed study” means that, prior to publication, a medical study has been subjected to the review of medical experts who:

- Have expertise in the subject matter of the study;
- Evaluate the science and methodology of the study;
- Are selected by the editorial staff of the publication, and
- Review the study without knowledge of the identity or qualifications of the author.

“WWHP” means the Well Women Healthcheck Program administered by the Arizona Department of Health Services.

ARTICLE 20. BREAST AND CERVICAL CANCER TREATMENT PROGRAM

R9-22-2001. ~~General Requirements Breast and Cervical Cancer Treatment Program Related Definitions~~

- ~~A. Confidentiality. The Administration and ADHS shall maintain the confidentiality of a woman’s records and shall not disclose a woman’s financial, medical, or other confidential information except as allowed under R9-22-512.~~
 - ~~B. Covered services. A woman who is eligible under this Article receives all medically necessary services under Articles 2 and 12.~~
 - ~~C. Choice of health plan. A woman who is eligible under this Article shall be enrolled with a contractor under Article 17.~~
- In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meaning unless the context explicitly requires another meaning:

“AZ-NBCCEDP” means the Arizona programs of the National Breast and Cervical Cancer Early Detection Program. There are three programs under NBCCEDP in Arizona that provide breast and cervical cancer screening and diagnosis.

“Cryotherapy” means the destruction of abnormal tissue using an extremely cold temperature.

“LEEP” means the loop electrosurgical excision procedure that passes an electric current through a thin wire loop.

“Peer-reviewed study” means that, prior to publication, a medical study has been subjected to the review of medical experts who:

- Have expertise in the subject matter of the study.
- Evaluate the science and methodology of the study.
- Are selected by the editorial staff of the publication, and
- Review the study without knowledge of the identity or qualifications of the author.

“WWHP” means the Well Women Healthcheck Program administered by the Arizona Department of Health Services. The WWHP is one of three programs within AZ-NBCCEDP that provide breast and cervical cancer screening and diagnosis.

R9-22-2002. ~~Treatment General Requirements~~

- ~~A. Breast cancer. Treatment for breast cancer shall conclude 12 months after the last provider visit for specific treatment for the cancer or at the end of hormonal therapy for the cancer, whichever is later. Treatment includes any of the following:
 1. Lumpectomy or surgical removal of breast cancer;
 2. Chemotherapy;
 3. Radiation therapy; or
 4. A treatment that, as determined by the AHCCCS Chief Medical Officer, is considered the standard of care as supported by a peer-reviewed study published in a medical journal.~~
- ~~B. Pre-cancerous cervical lesion. Treatment for a pre-cancerous cervical lesion, including moderate or severe cervical dysplasia or carcinoma in situ, shall conclude four months after the last provider visit for specific treatment for the pre-cancerous lesion. Treatment includes any of the following:
 1. Conization;
 2. LEEP;
 3. Cryotherapy; or
 4. A treatment that, as determined by the AHCCCS Chief Medical Officer, is considered the standard of care as supported by a peer-reviewed study published in a medical journal.~~
- ~~C. Cervical cancer. Treatment for cervical cancer shall conclude 12 months after the last provider visit for specific treatment for the cancer. Treatment includes any of the following:
 1. Surgery;
 2. Radiation therapy;
 3. Chemotherapy;
 4. A treatment that, as determined by the AHCCCS Chief Medical Officer, is considered the standard of care as supported by a peer-reviewed study published in a medical journal.~~
- A. Confidentiality. The Administration and AZ-NBCCEDP shall maintain the confidentiality of a woman’s records and shall not disclose a woman’s financial, medical, or other confidential information except as allowed under R9-22-512.
- B. Covered services. A woman who is eligible under this Article receives all medically necessary services under Articles 2

and 12.

- C. Choice of health plan. A woman who is eligible under this Article shall be enrolled with a contractor under Article 17.
- D. A Native American woman on IHS or that receives services through a tribal health program may qualify for services provided under this program.
- E. A woman qualified under this program is required to pay co-pays as described in R9-22-711.

R9-22-2003. Eligibility Criteria

- A. General.** To be eligible for the Breast and Cervical Cancer Treatment Program under this Article, a woman shall meet the requirements of this Article and:
 - 1. Be screened for breast and cervical cancer through the WWHP on or after April 1, 2001;
 - 2. Be less than 65 years of age;
 - 3. Be ineligible for Title XIX under Articles 14 and 15;
 - 4. Receive a positive screen under subsection (A)(1), a confirmed diagnosis by a WWHP physician, and need treatment for breast cancer, cervical cancer, or a pre-cancerous cervical lesion as specified in R9-22-2002;
 - 5. Not be covered under creditable coverage as specified in Section 2701(c) of the Public Health Services Act (42 United States Code, Section 300gg(e)), January 5, 1999, which is incorporated by reference and on file with the Administration and the Office of the Secretary of State. This incorporation by reference contains no future editions or amendments; and
 - 6. Meet the requirements under R9-22-1416 through R9-22-1418.
- B. Ineligible woman.** A woman is ineligible for Breast and Cervical Cancer Treatment Program under this Article if the woman:
 - 1. Is an inmate of a public institution and federal financial participation (FFP) is not available,
 - 2. Is age 21 through age 64 and resides in an Institution for Mental Disease as defined in R9-22-112, or
 - 3. No longer meets an eligibility requirement under this Article.
- C. Metastasized cancer.** A woman's eligibility under this Article shall continue if a metastasized cancer is found in another part of the woman's body and that metastasized cancer is a known or presumed complication of the breast or cervical cancer.
- D. Reoccurrence of cancer.** A woman shall have eligibility reestablished after eligibility under this Article ends if the woman is screened under the WWHP program and additional breast or cervical cancer is found.
- E. Ineligible male.** A male is precluded from receiving screening and diagnostic services under the WWHP program and is ineligible under this Article.
- A. General.** To be eligible for the Breast and Cervical Cancer Treatment Program under this Article, a woman shall meet the requirements of this Article and:
 - 1. Be screened for breast and cervical cancer through AZ-NBCCEDP;
 - 2. Be less than 65 years of age;
 - 3. Be ineligible for Title XIX under Articles 14 and 15;
 - 4. Receive a positive screen under subsection (A)(1), a confirmed diagnosis through AZ-NBCCEDP, and need treatment for breast cancer, cervical cancer, or a pre-cancerous cervical lesion as specified in R9-22-2004;
 - 5. Not be covered under creditable coverage as specified in Section 2701(c) of the Public Health Services Act (42 United States Code, Section 300gg(c)), January 5, 1999, incorporated by reference and on file with the Administration and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments: For purposes of this program, IHS or Tribal health services are not considered creditable coverage as approved in the Native American Breast and Cervical Cancer Treatment Technical Amendment Act of 2002; and
 - 6. Meet the requirements under R9-22-1417 through R9-22-1418.
- B. Ineligible woman.** A woman is ineligible for Breast and Cervical Cancer Treatment Program under this Article if the woman:
 - 1. Is an inmate of a public institution and federal financial participation (FFP) is not available,
 - 2. Is age 21 through age 64 and resides in an Institution for Mental Disease as defined in R9-22-112, or
 - 3. No longer meets an eligibility requirement under this Article.
- C. Metastasized cancer.** A woman's eligibility under this Article shall continue if a metastasized cancer is found in another part of the woman's body and that metastasized cancer is a known or presumed complication of the breast or cervical cancer.
- D. Reoccurrence of cancer.** A woman shall have eligibility reestablished after eligibility under this Article ends if the woman is screened under the AZ-NBCCEDP program and additional breast or cervical cancer is found.
- E. Ineligible male.** A male is precluded from receiving screening and diagnostic services under the AZ-NBCCEDP program and is ineligible under this Article.

R9-22-2004. ~~Title XIX Application Process~~ Treatment for Purposes of Eligibility

- ~~A.~~ Title XIX application. A woman may apply for eligibility under this Article by submitting a complete Title XIX application as specified in R9-22-1405.
- ~~B.~~ Submitting the Title XIX application. The woman may complete and submit a Title XIX application at the time of the WWHP screening or mail the application directly to the Administration.
- ~~C.~~ Date of application. The date of the Title XIX application is the date of the diagnostic procedure that results in a positive diagnosis for breast cancer, cervical cancer, or a pre-cancerous cervical lesion.
- ~~D.~~ Responsibility of a woman who is applying or who is a member. A woman who is applying or who is a member shall:
 - 1. Give complete and truthful information on the Title XIX application;
 - 2. Comply with the requirements of this Article;
 - 3. Provide medical insurance information including any changes in medical insurance; and
 - 4. Inform the Administration about a change in address, residence, and alienage status.
- A. Breast cancer. Treatment for breast cancer shall conclude on the last provider visit for specific treatment for the cancer or at the end of hormonal therapy for the cancer, whichever is later. Treatment includes any of the following:
 - 1. Lumpectomy or surgical removal of breast cancer.
 - 2. Chemotherapy.
 - 3. Radiation therapy, or
 - 4. A treatment that, as determined by the AHCCCS Chief Medical Officer, is considered the standard of care as supported by a peer-reviewed study published in a medical journal.
- B. Pre-cancerous cervical lesion. Treatment for a pre-cancerous cervical lesion, including moderate or severe cervical dysplasia or carcinoma in situ, shall conclude on the last provider visit for specific treatment for the pre-cancerous lesion. Treatment includes any of the following:
 - 1. Conization.
 - 2. LEEP.
 - 3. Cryotherapy, or
 - 4. A treatment that, as determined by the AHCCCS Chief Medical Officer, is considered the standard of care as supported by a peer-reviewed study published in a medical journal.
- C. Cervical cancer. Treatment for cervical cancer shall conclude on the last provider visit for the specific treatment for the cancer. Treatment includes any of the following:
 - 1. Surgery.
 - 2. Radiation therapy.
 - 3. Chemotherapy.
 - 4. A treatment that, as determined by the AHCCCS Chief Medical Officer, is considered the standard of care as supported by a peer-reviewed study published in a medical journal.

R9-22-2005. ~~Approval, Denial, or Discontinuance of Eligibility~~ Title XIX Application Process

- ~~A.~~ Eligibility determination. The Administration shall determine eligibility under this Article within seven days of receipt of a complete Title XIX application.
- ~~B.~~ Approval. If a woman meets all the eligibility requirements in this Article, the Administration shall provide the woman with an approval notice. The approval notice shall contain:
 - 1. The name of the eligible woman,
 - 2. The effective date of eligibility, and
 - 3. Information regarding the woman's appeal and request for hearing rights.
- ~~C.~~ Denial. If the Administration denies eligibility, the Administration shall provide the woman with a denial notice. The denial notice shall contain:
 - 1. The name of the ineligible woman,
 - 2. The specific reason why the woman is ineligible,
 - 3. The legal citations supporting the reason for the denial,
 - 4. The location where the woman can review the legal citations, and
 - 5. Information regarding the woman's appeal and request for hearing rights.
- ~~D.~~ Discontinuance:
 - 1. Except as specified in subsection (D)(2), if a woman no longer meets an eligibility requirement under this Article, the Administration shall provide the woman an advance Notice of Action no later than 10 days before the effective date of the discontinuance.
 - 2. The Administration may mail the Notice of Action no later than the effective date of the discontinuance if the Administration:
 - a. Receives a written statement from the woman voluntarily withdrawing from AHCCCS;
 - b. Receives information confirming the death of the woman;
 - e. Receives returned mail with no forwarding address from the post office and the woman's whereabouts are unknown, or

Notices of Proposed Rulemaking

- d. ~~Receives information confirming that the woman has been approved for Title XIX services outside the state of Arizona.~~
- 3. ~~The Notice of Action shall contain the:~~
 - a. ~~Name of the ineligible woman,~~
 - b. ~~Effective date of the discontinuance,~~
 - e. ~~Specific reason why the woman is discontinued,~~
 - d. ~~Legal citations supporting the reason for the discontinuance,~~
 - e. ~~Location where the woman can review the legal citations, and~~
 - f. ~~Information regarding the woman's appeal and request for hearing rights.~~
- E. ~~Request for hearing. A woman who is approved, denied or discontinued for the Breast and Cervical Cancer Treatment Program may request a hearing under Article 8.~~
- A. Title XIX application. A woman may apply for eligibility under this Article by submitting a complete Title XIX application as specified in R9-22-1406.
- B. Submitting the Title XIX application. The woman may complete and submit a Title XIX application at the time of the AZ-NBCCEDP screening. The AZ-NBCCEDP staff may mail or fax the application directly to the Administration.
- C. Date of application. The date of the Title XIX application is the date of the diagnostic procedure that results in a positive diagnosis for breast cancer, cervical cancer, or a pre-cancerous cervical lesion.
- D. Responsibility of a woman who is applying or who is a member. A woman who is applying or who is a member shall:
 - 1. Provide medical insurance information including any changes in medical insurance; and
 - 2. Inform the Administration about a change in address, residence, and alienage status.

R9-22-2006. ~~Effective Date of Eligibility~~ Approval, Denial, or Discontinuance of Eligibility

~~The effective date of eligibility is the later of:~~

- 1. ~~The first day of the month of a Title XIX application;~~
- 2. ~~The first day of the first month the woman meets all the eligibility requirements in this Article; or~~
- 3. ~~January 1, 2002.~~
- A. Eligibility determination. The Administration shall determine eligibility under this Article within seven days of receipt of a complete Title XIX application.
- B. Approval. If a woman meets all the eligibility requirements in this Article, the Administration shall provide the woman with an approval notice. The approval notice shall contain:
 - 1. The name of the eligible woman,
 - 2. The effective date of eligibility, and
 - 3. Information regarding the woman's appeal and request for hearing rights.
- C. Denial. If the Administration denies eligibility, the Administration shall provide the woman with a denial notice. The denial notice shall contain:
 - 1. The name of the ineligible woman,
 - 2. The specific reason why the woman is ineligible,
 - 3. The legal citations supporting the reason for the denial,
 - 4. The location where the woman can review the legal citations, and
 - 5. Information regarding the woman's appeal and request for hearing rights.
- D. Discontinuance.
 - 1. Except as specified in subsection (D)(2), if a woman no longer meets an eligibility requirement under this Article, the Administration shall provide the woman an advance Notice of Action no later than 10 days before the effective date of the discontinuance.
 - 2. The Administration may mail the Notice of Action no later than the effective date of the discontinuance if the Administration:
 - a. Receives a written statement from the woman voluntarily withdrawing from AHCCCS,
 - b. Receives information confirming the death of the woman,
 - c. Receives returned mail with no forwarding address from the post office and the woman's whereabouts are unknown, or
 - d. Receives information confirming that the woman has been approved for Title XIX services outside the state of Arizona.
 - 3. The Notice of Action shall contain the:
 - a. Name of the ineligible woman,
 - b. Effective date of the discontinuance,
 - c. Specific reason why the woman is discontinued,
 - d. Legal citations supporting the reason for the discontinuance,
 - e. Location where the woman can review the legal citations, and
 - f. Information regarding the woman's appeal and request for hearing rights.

E. Request for hearing. A woman who is approved, denied or discontinued for the Breast and Cervical Cancer Treatment Program may request a hearing under Chapter 34.

R9-22-2007. Redetermination of Eligibility Effective and End Date of Eligibility

A. Redetermination. Except as provided in subsection (B), the Administration shall complete a redetermination of eligibility at least once a year. If a woman continues to meet the requirements of eligibility for the Breast and Cervical Cancer Treatment Program, the Administration shall notify the woman of continued eligibility for another year. A woman is not required to be screened for breast and cervical cancer through the WWHP under R9-22-2003 at redetermination.

B. Change in circumstance. The Administration shall complete a redetermination of eligibility if there is a change in the woman's circumstances, including a change in treatment under R9-22-2002, that may affect eligibility.

A. The effective date of eligibility is the later of:

1. The first day of the month of a Title XIX application; or
2. The first day of the first month the woman meets all the eligibility requirements in this Article.

B. The end date of eligibility concludes:

1. For Breast cancer, 12 months after the last provider visit for a treatment specified in R9-22-2004 for the cancer or at the end of hormonal therapy for the cancer, whichever is later.
2. For Pre-cancerous cervical lesion, four months after the last provider visit for a treatment specified in R9-22-2004 for the pre-cancerous lesion.
3. For Cervical cancer, 12 months after the last provider visit for a treatment specified in R9-22-2004 for the cancer.

R9-22-2008. Redetermination of Eligibility

A. Redetermination. Except as provided in subsection (B), the Administration shall complete a redetermination of eligibility at least once a year. If a woman continues to meet the requirements of eligibility for the Breast and Cervical Cancer Treatment Program, the Administration shall notify the woman of continued eligibility. A woman is not required to be screened for breast and cervical cancer through AZ-NBCCEDP at redetermination.

B. Change in circumstance. The Administration shall complete a redetermination of eligibility if there is a change in the woman's circumstances, including a change in treatment that may affect eligibility.

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

**CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
CHILDREN'S HEALTH INSURANCE PROGRAM**

[R06-288]

PREAMBLE

- | | |
|---|---|
| <u>1. Sections Affected</u> | <u>Rulemaking Action</u> |
| R9-31-901 | Repeal |
| <u>2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):</u> | |
| Authorizing statute: A.R.S. § 36-2986 | |
| Implementing statute: A.R.S. § 36-2982 | |
| <u>3. A list of all previous notices appearing in the Register addressing the proposed rule:</u> | |
| Notice of Rulemaking Docket Opening: 12 A.A.R. 2774, August 4, 2006 | |
| <u>4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:</u> | |
| Name: | Mariaelena Ugarte |
| Address: | AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034 |
| Telephone: | (602) 417-4693 |
| Fax: | (602) 253-9115 |

Notices of Proposed Rulemaking

E-mail: AHCCCSRules@azahcccs.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

The proposed rule provides current regulations for processing and finding erroneous Medicaid payments due to eligibility and recipient liability errors as detected through the Medicaid Eligibility Quality Control (MEQC) program. These processes are required in an Intergovernmental Agreement (IGA) and not in rule, therefore the MEQC related proposed rules are to be repealed.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The Administration foresees a minimal impact since the processes are not changed, the rules being repealed are addresses in an IGA between the Department and the Administration.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

Proposed rule language will be available on the AHCCCS web site www.azahcccs.gov the week of July 31, 2006. Please send written comments to this address by 12:00 p.m., September 18, 2006. E-mail comments will be accepted.

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: September 18, 2006
Time: 10:00 a.m.
Location: AHCCCS
701 E. Jefferson
Phoenix, AZ 85034
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
110 S. Church, Suite 1360
Tucson, AZ 85701
Nature: Public Hearing

Date: September 18, 2006
Time: 10:00 a.m.
Location: ALTCS: Arizona Long-Term Care System
3480 E. Route 66
Flagstaff, AZ 86004
Nature: Public Hearing

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
CHILDREN'S HEALTH INSURANCE PROGRAM

ARTICLE 9. ~~QUALITY CONTROL~~ REPEALED

Section

R9-31-901. ~~General Provisions~~ Repealed

ARTICLE 9. ~~QUALITY CONTROL~~ REPEALED

R9-31-901. General Provisions Repealed

A. The Director has full operational authority to adopt rules or to use the appropriate rules for administration and oversight of quality control as specified in A.R.S. § 36-2986.

B. As specified in A.R.S. § 36-2982, the Administration has the authority to establish a process to audit eligibility determinations made by AHCCCS or the entities with which the Administration contracts or enters into an intergovernmental agreement.

Editor's Note: This notice is being published without Tables 5-N and 5-S because there was no Notice of Rulemaking Docket Opening filed for those tables before this notice was filed. The Notice of Rulemaking Docket Opening and Notice of Proposed Rulemaking for those tables are being published separately in this issue.

NOTICE OF PROPOSED RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 1. DEPARTMENT OF ENVIRONMENTAL QUALITY
ADMINISTRATION

[R06-260]

PREAMBLE

1. Sections Affected

R18-1-501
R18-1-502
R18-1-503
R18-1-504
R18-1-505
R18-1-507
R18-1-513
Table 3
Table 3-N
Table 3-S
Table 4
Table 5
Table 7
Table 8
Table 9
Table 10
Table 11

Rulemaking Action

Amend
Amend
Amend
Amend
Amend
Amend
Repeal
Amend
Repeal
Repeal
Amend
Amend
Amend
Amend
Repeal
Amend
Amend

Notices of Proposed Rulemaking

Table 13	Amend
Table 14	Amend
Table 15	New Table
Table 16	Amend
Table 17	Amend
Table 18	Amend
Table 19	Repeal
Table 19-S	Repeal
Table 20	Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 41-1003, 41-1073, 49-104, 49-203, and 49-425

Implementing statute: A.R.S. §§ 41-1072 through 1079

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 10 A.A.R. 2264, June 4, 2004

Notice of Rulemaking Docket Opening: 11 A.A.R. 2393, June 24, 2005

Notice of Rulemaking Docket Opening: 12 A.A.R. 2577, July 21, 2006

Notice of Rulemaking Docket Opening: 12 A.A.R. 2972, August 18, 2006

Notice of Proposed Rulemaking: 12 A.A.R. 2466, July 14, 2006

Notice of Proposed Rulemaking: 12 A.A.R. 2926, August 18, 2006

Notice of Termination of Rulemaking: 12 A.A.R. 2511, July 14, 2006

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Deborah K. Blacik

Address: Arizona Department of Environmental Quality
1110 W. Washington St. Mail Code: 6415A-1
Phoenix, AZ 85007

Telephone: (602) 771-2223 (toll free in Arizona: (800) 234-5677, ask for ext. 771-2223)

Fax: (602) 771-2251

E-mail: blacik.deborah@azdeq.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

A. Introduction

In this rulemaking the Department proposes to amend rule text and to repeal, amend and add licenses to tables as required to update the original licensing time-frames rulemaking.

B. Background Summary

A.R.S. §§ 41-1072 through 41-1079 (Title 41, Chapter 6, Article 7.1, Arizona Revised Statutes) of the Administrative Procedure Act (APA) require all state agencies to adopt and implement licensing time-frames (LTF) for every license they issue. Once adopted, failure by an agency to grant or deny a license application within the overall time-frame for that application may subject the agency to the sanctions of refunds, fee excusals, and penalties. Title 41, Chapter 6, Article 7.1, Arizona Revised Statutes ("the LTF statutes") defines a method to determine sanctions for agency failure to comply with time-frames. The LTF statutes require agencies to make administrative rules establishing time-frames within which agencies will decide to grant or deny licenses and provide processes for complying with the time-frames.

In response to the statutory mandate, ADEQ made a LTF rule which became effective on August 13, 1999. This LTF rule prescribed a set of uniform definitions and procedures concerning the operation of the licensing time-frame requirements of the LTF statutes.

The Department is amending the LTF rule and tables to conform to changes in statute and other program rules, and to clarify its obligations to act under the LTF statutes based on its actual experience under the LTF rule.

C. Rule and Table Changes.

1. Rule Changes.

R18-1-501 and R18-1-505 are being proposed for amendment to remove internal references to R18-1-513, which is proposed for repeal. Further, R18-1-501 is being proposed for amendment to remove a definition relating to WQARF since WQARF is no longer subject to LTF (see A.R.S. § 49-298, subsection C) and is also being proposed for amendment to provide applicants the option of submitting LTF documents electronically by facsimile or e-mail.

R18-1-502(A)(6) is proposed for amendment to clarify the applicability of LTF provisions to certain orders and agreements. R18-1-502(A)(12) is proposed for amendment to delete a provision that concerns application components submitted before the effective date of the first LTF rule(LTF1).

R18-1-503(A)(3) is proposed for amendment to change the “or” to “and, if any,” to ensure that the applicant’s address was in our database in every case and also allow the additional address of the agent. Currently, if only an agent’s address is entered into our database the Department runs the risk of issuing the permit to the agent (or a consultant who is not actually an agent authorized to receive notices on behalf of the applicant) and having inconsistent addresses between the file and the database.

R18-1-503(A)(7) is proposed for amendment to clarify when the administrative completeness review time-frame begins.

R18-1-503(D) and R18-1-504 are proposed for amendment to eliminate a second notification regarding the lack of required information that is not required by statute.

R18-1-503(H) is proposed for amendment to eliminate a process regarding defectiveness of a submittal.

R18-1-507(A) and R18-1-507(B) are proposed for amendment to remove an unnecessary distinction between conditional and unconditional grants of a license. R18-1-507(C) is proposed for amendment to provide for Departmental action in instances where the applicant fails to timely respond to a notice of administrative deficiencies under R18-1-503, a request for additional information or a comprehensive request for additional information under R18-1-504, a supplemental request for additional information under R18-1-509. The proposed amendment allows the Department to take prompt action on applications where the applicant fails to timely respond to its requests for further information. The proposed amendment will result in greater efficiency in processing applications.

R18-1-513 is proposed for repeal. The purpose of this Section was to permit applicants with pending license applications at the time LTF1 became effective the opportunity to opt-in to the licensing time-frame system. Since all of the applicants who would have wanted to use this Section would have done so before now, this Section no longer serves any purpose.

2. Table Changes

a. Reasons for Deleting Certain License Categories

i. Statutory/rule amendments

Department Certification of 402 Permits. In Table 11, the licenses relating to Department certification of 402 permits are proposed for repeal because the new A.A.C. Title 18, Chapter 9, Article 9 rules now apply.

VEMUR Licenses. Licenses relating to VEMURS are proposed for repeal from Tables 13, 17, and 18 because the statutory basis for VEMUR licenses in A.R.S. § 49-152, subsections B and C was repealed in Laws 2000, Chapter 225, § 4.

SAF License. In Table 18 the license relating to SAF is proposed for repeal because the new A.A.C. Title 18, Chapter 12, Article 6 rules repealed this license.

WQARF Licenses. Tables 19 and 19-S relating to WQARF licenses are proposed for repeal because A.R.S. § 49-298, subsection C, provides that these no longer constitute a license as defined by A.R.S. § 49-1001.

Voluntary Program Acceptance License. The license relating to voluntary program acceptance in Table 20 is proposed for repeal because its statutory basis in A.R.S. §§ 49-104, subsection A, paragraph 17 and 49-282.05 was repealed in Laws 2000, Chapter 225, §§ 1 and 7.

ii. Redundant/unnecessary licenses

Open burning licenses issued by the northern regional office and open burning licenses issued by the southern regional office: Tables 3-N and 3-S licenses are proposed for repeal because they are redundant of the license listed in Table 3. The redundancy was considered necessary for tracking purposes among the offices when LTF1 was initially adopted; however, the Department’s actual experience with the rule indicates that separate tables are not necessary. The title of Table 3 is proposed for amendment to make a conforming change.

Table 13– New special waste facility operation temporary authorization (#6) duplicates Petroleum contaminated soil temporary treatment approval (#2); Special waste facility plan type IV substantial change with no public hearing (#8) duplicates Special waste facility plan type III substantial change (#7). Group IV: Special waste discharging facility individual discharging aquifer protection licenses are unnecessary because the Director has determined under the exemption in A.R.S. § 49-250(B)(17) that aquifer water quality standards will be maintained and protected under other Department rules.

iii. Determined not licenses for LTF purposes

Table 9– Water and Wastewater Facility Operator Licenses, is proposed for repeal. The Department will continue to issue these licenses; however, it has revised and expedited the licensing procedure in a manner which allows the Department to make licensing decisions in seven days or less. Therefore, these licenses meet the exception stated in A.R.S. § 41-1073(E)(2) for licenses issued within seven days. The Department will certify these license categories in its annual report under A.R.S. § 41-1078.

Notices of Proposed Rulemaking

b. Reasons for Amending Licenses

i. Statutory/CFR/ rule amendments

For this rulemaking, the various program divisions were consulted and each Division's licenses were analyzed.

The license in Table 3 for dangerous materials open burning is proposed for amendment to conform to a rule change. R18-2-602, the rule containing the application components, was amended and reorganized and the information relating to application components was relocated to subsection (D)(2). (see 10 A.A.R. 388).

Licenses in Table 5 that relate to safe drinking water are proposed for amendment to conform to rule recodification changes (see 10 A.A.R. 585).

Licenses in Table 8 that relate to safe drinking water are proposed for amendment to conform to statutory and rule changes under the technical amendments rulemaking (see 8 A.A.R. 973) and the drinking water filtration, disinfection, and public notice rulemaking (see 8 A.A.R. 3046).

Licenses in Tables 13 and 14 that relate to aquifer protection permits are proposed for amendment to conform to statutory and rule changes under the unified water quality permits and the repeal of R18-14-108.

In Tables 13, Group IV, and 14, Group III, various other changes to statutory and rule number citations are proposed for amendment to correct erroneous or incomplete citations or to reflect their recodified rule numbers.

In Table 14 license categories that contain erroneous citations to 40 CFR § 257 are proposed for amendment.

In Table 16 various citations relating to special wastes and waste tires are proposed for amendment to correct erroneous citations.

The two licenses relating to hazardous waste post-closure permits in Table 17 are proposed for amendment to include recent CFR citations.

ii. Change in time-frame period/renamed or combined

The license category relating to analyzer facility registration in Table 4 is proposed for amendment to change the name to emissions analyzer/opacity meter registration. The license category relating to temporary treatment facility approval in Table 13 is proposed for amendment to change the name to petroleum contaminated soil temporary treatment facility approval. The license categories relating to construction permits in Table 10 are proposed for amendment to combine the pre-construction and post-construction phases.

The license categories relating to facility construction licenses in Table 5 are proposed for amendment to increase each review time-frame period by 5 days. The number of applications submitted in these categories has increased while the number of staff reviewing these applications has decreased; therefore, to accomplish adequate reviews an increase in review time-frames periods is necessary.

c. Reasons for Adding Licenses

i. Statutory/ rule amendments.

Table 7 is proposed for amendment to add conditional pesticide registration which was established by A.R.S. § 49-310.

New Table 15 is proposed for amendment to add this table because new rules (A.A.C. Title 18, Chapter 13, Article 14) established new biohazardous medical waste licenses.

Table 17 is proposed for amendment to add hazardous waste remedial action plan approval license which was established by federal regulation.

ii. Licenses that were inadvertently omitted from prior LTF rulemakings.

Table 10 is proposed for amendment to add 4.15 and 4.16 general permits and complex individual permit significant amendment.

Table 14 is proposed for amendment to add municipal solid waste facility plan type III substantial amendment with a public hearing.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The preliminary summary of the economic, small business, and consumer impact:

A. Rule Identification

This rulemaking amends Title 18, "Environmental Quality," Chapter 1, "Department of Environmental Quality - Administration," Article 5, "Licensing Time-Frames."

Article 7.1 of the Administrative Procedures Act (APA) requires state agencies to adopt licensing time-frames for issuing licenses. This rulemaking amends the Department's licensing time-frames (LTF) rule that became effective August 13, 1999. This rulemaking makes changes to rule provisions and license categories. These changes incorporate statutory and rulemaking changes, including eliminating unnecessary references, deleting redundant and unnecessary tables, amending tables, and adding a new table.¹ For a summary of these changes, refer to Table 1.

The APA mandates that time-frames be used for processing applications from the submittal date to either the granting or denying of a license. "Time frames" include administrative completeness review (ACRTF), substantive review (SRTF), and overall (OTF). Time-frames also may be extended under certain circumstances (R18-1-506).

The operation of time-frames provides a means to determine if sanctions should apply to an agency due to its inaction or lateness in granting or denying licenses. For example, failure of a state agency to grant or deny a license application within the OTF set forth in rule, could subject the agency to sanctions. Although sanctions include refunds of application fees, excusals of further licensing fees, and penalties, they only apply to fee-funded programs that are subject to a SRTF.

B. Entities Directly Affected

Most applicants under the current license categories, as well as applicants under the new license categories, potentially could be directly affected. Applicants not impacted, include those license categories proposed for deletion (see preamble 5.C.2.). Due to the nature of the rule amendments and additions, the overall economic impact upon the remaining entities is expected to be minimal. The Department expects to experience minimal economic impacts as well. In fact, the Department and the applicants are expected to mutually gain from cost-saving benefits. As a result of these mutually expected gains, the general public also is expected to benefit.

Indirect impacts include political subdivisions that are delegated by the Department to issue licenses under the various programs. Other entities are not expected to be negatively impacted.

C. Potential Costs and Benefits

Because this proposed rulemaking makes needed amendments to the current rules and tables, and does not impose compliance and reporting requirements on applicants, the overall impact is expected to be minimal with probable benefits outweighing probable costs. The rulemaking does not create new licenses, but only adds time-frames to existing licenses. Basically, economic costs could be generated during the time an applicant applies for a license and the time it is granted. Likely impacts to the various entities are explained below.

Regulatory Agencies

Any costs from the addition of new license categories are expected to be offset by the deletion and revision of some licenses. Thus, the expected net affect to the Department overall is no change as far as costs are concerned. However, potential benefits could accrue as the program becomes more effective and efficient with these amendments. Part of this is due to statutory changes, *viz.*, Table 11, "Surface Water Licenses" and the elimination of some license categories, Table 9, "Water and Wastewater Facility Operator License," which was deleted because licenses in this category can be issued within seven days, and the elimination of a notice requirement under R18-1-503 and 504. Together, these changes should result in reduced costs because processing times may be reduced.

License categories relating to facility construction (Table 5, "Safe Drinking Water Construction") have been amended by adding 10 days to the OTF. This change, which adds five more days to each ACRTF and SRTF, is deemed necessary to provide for sufficient review times. In the face of staffing reductions resulting from budget cuts, this should reduce the requests for time extensions during the SRTF. By eliminating the need to pursue a time extension, it is anticipated that cost-saving benefits will accrue to both Department and applicants. The regulatory burden can be handled effectively by the current personnel with no additional employees required.

Since an objective of the LTF rules is to facilitate timely license decisions, eliminating open-ended application review times should increase program efficiency and effectiveness. This is why the Department is amending R18-1-507 to allow it to deny an application if the applicant fails to respond to a notice or request in a timely manner.²

This rule is not expected to impact the State General Fund, unless the Department does not grant or deny a license within the OTF established by rule and is statutorily required to refund fees, excuse further licensing fees, and pay a penalty to the General Fund each month decisions have not been made. However, the Department does not expect to incur penalties for not denying or approving licenses within the OTFs.

Regulated Community

The Department anticipates the economic impact from this rulemaking to range from none to minimal for the various categories of applicants.³ Because many changes to this rule are administrative, and the applicants for licenses in the new license categories subject to LTF already are complying with application requirements and time-frames specified in statutes and rules, the Department expects overall impacts to applicants to be minimal.

Two new categories of applicants potentially impacted by this rulemaking include biohazardous medical waste storage, treatment, or disposal facilities applying for plan approval, amendment, or alternative treatment registration, and transporters applying for registration (Table 15), and hazardous waste treatment, storage, or disposal facilities applying for remedial action plan approval (Table 17).

Notices of Proposed Rulemaking

For example, in the recent past the Department has approved 25 applications for biohazardous medical waste storage, treatment, or disposal facilities and transporters (Table 15). This total includes licenses issued for one disposal facility, one treatment facility, two transfer facilities, five registered alternative treatment technologies, and 16 transporters. All of these applicants were required to comply with the statutes and rules governing their respective applications. New applicants, or current licensed entities seeking a facility plan amendment, for example, will have to follow the same requirements to gain approval. The only difference is that the Department will be subject to LTF requirements to determine if sanctions should apply for the Department's inaction or lateness of granting or denying licenses. This difference represents the incremental impact of this rulemaking for which the Department anticipates no impact.

Overall, some sources may experience a slight increase in costs, but this should be the exception rather than the norm. For example, applicants that fail to respond in a "reasonably timely manner" to a Department request for additional information risk having their license denied under R18-1-507(A).⁴ It could result in operating delays and higher costs for obtaining a license if these applicants must start over. Although a greater proportion of applicants will face a greater risk of having their applications denied if they do not respond in a timely manner to requests for additional information, this change could encourage improved planning and increased responsiveness by applicants. Note that R18-1-507(C) pertains to notices of administrative deficiencies (R18-1-503), requests for additional information or comprehensive requests for additional information (R18-1-504), or supplemental requests for additional information (R18-1-509). The deficiency would have to prevent the Department from exercising its authority to grant the licenses. In addition, the Department must consider three factors set forth in rule (see R18-1-507(C)) before denying a license. Before any such denial, the applicant will have received all notices required by statute.

Other applicants are not expected to be impacted from proposed rule changes, except in a beneficial fashion due to program improvements resulting in increased efficiency and effectiveness. As previously mentioned, part of this is due to statutory changes to Tables 11 and 9 and the elimination of a notice requirement not required by statute under R18-1-503 and 504. Together, these changes should result in reduced costs because processing times may be reduced. In some instances, this could result in reduced processing fees. Additionally, the option of submitting applications and responses by e-mail or facsimile has the potential for generating cost-saving benefits to applicants.

License categories relating to facility construction (Table 5, "Safe Drinking Water Construction") have been amended by adding 10 days to the OTF. Although this change adds more days to ACRTF and SRTF, the Department anticipates that this will reduce requests for time extensions during the SRTF, and as a result, provide cost-saving benefits to applicants.

It is expected that this rule will not impact industry output, business revenues, payroll expenditures, employment, or earnings. Therefore, the Department does not expect this rulemaking to impact any changes in product prices, industry profitability, or growth.

Consumers and Public

Due to the potential for increased effectiveness and efficiency for both the Department and the regulated community, the general public is expected to benefit from these proposed rule changes. Additionally, this rule is not expected to create compliance costs that could be passed on to consumers. As a result, the Department anticipates probable benefits to outweigh probable costs of this rule.

D. Potential Impacts to Small Businesses

The Department cannot exempt small businesses from LTF rules or even establish less stringent compliance or reporting requirements and deadlines. State statutes, under the APA, mandate that all applicants subject to LTF comply with the rules, including small businesses (§§ 41-1072 et seq.).

Table 1. Proposed Changes to Rule Provisions and License Categories

Rule or Table	Proposed Changes
501(13)(c) new	Identifies receipt date for an electronic response to an application clerk (by facsimile or e-mail)
501(20)	Inclusion of 513 (Opt-in Agreements) deleted in references to licensing time-frame agreements
501(34)	WQARF acronym deleted
502(A)(6)	Amended to clarify that licenses under an AO, CO or CA are exempt from Article 5 if time-frames differ from time-frames for license categories
502(A)(12)	Deleted because it is no longer relevant (Article 5 has been effective since 1999)
503(A)(3)	Amended to ensure applicant's address will be included in LTF Database

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

503(A)(7)	Amended to clarify when the administrative completeness time-frame begins
503(D)	Amended to eliminate a burdensome notice requirement not required by statute
503(H)	Deleted because it is not needed
504(D)	Amended to eliminate a second notice requirement not required by statute
505(C)	Deleted reference to 513 (Opt-in Agreements)
507(A)(1-3) and (B)	Deleted the unnecessary distinction between “conditional” and “unconditional” grant of a license; revised 507(A) clarifies that the grant or denial of a license ends all time-frames for an application
507(C) new	Added provision that ADEQ may deny licenses if applicants fail to respond in a reasonably timely manner (see note below)
513	Deleted (Opt-in Agreements) because it no longer is relevant
Table 3	Makes conforming change to title and updates citation for application components
Tables 3-N and 3-S	Repealed due to redundant license categories (separate tables are unnecessary)
Table 4	Amended the name of a license
Table 5	Amended to increase ACRTF and SRTF by five days each (10 more days to OTF added); citations updated to reflect recodification of rules
Table 7	Added conditional pesticide registration that was established by statute
Table 8	Amended to conform to statutory and rule changes (updated citations)
Table 9	Repealed because licensing decisions can be made within 7 days
Table 10	Amended to add 4.15 and 4.16 general permits and complex individual permit significant amendment; combined pre-construction and post-construction phases of construction permits
Table 11	Repealed licenses pertaining to certification of 402 permits because Chapter 9, Article 9 rules now apply
Table 13	Repealed VEMUR licenses because of statutory changes (also repealed from Tables 17 and 18, hazardous waste and UST licenses, respectively); repealed redundant licenses; repealed all group IV licenses (individual special waste discharging facility discharging aquifer protection licenses) because they are unnecessary since aquifer water quality standards are protected and maintained under other rules; updated citations
Table 14	Added previously omitted license; updated citations
Table 15 new	Added seven biohazardous medical waste licenses
Table 16	Updated citations
Table 17	Repealed VEMUR licenses because of statutory changes; updated citations for two hazardous waste post-closure permits; added a new license
Table 18	Repealed VEMUR licenses because of statutory changes; repealed SAF license due to rule changes
Tables 19 and 19-S	Repealed all WQARF licenses because they statutorily do not constitute a license
Table 20	Repealed voluntary program acceptance license because of statutory changes

Notices of Proposed Rulemaking

AO = Abatement Order, CO = Compliance Order, CA = Consent Agreement, N = Northern Regional Office, S = Southern Regional Office, ACRTF = Administrative Completeness Review Time-Frame, SRTF = Substantive Review Time-Frame, OTF = Overall Time-Frame, VEMUR = Voluntary Environmental Mitigation Use Restriction, UST = underground storage tanks, WQARF = Water Quality Assurance Revolving Fund

Endnotes

¹ Changes to rule provisions and license categories identified in tables were made for the following reasons: (1) statutory and rule changes; (2) redundant and unnecessary licenses; (3) ability to make license decisions in seven or fewer days; (4) incorrect rule citations; (5) changes in time-frames; and (6) new license categories.

² The current rule allows the Department to deny a license if an application is incomplete, inaccurate, or deficient. The proposed amendment to R18-1-507 will allow the Department to deny a license if an applicant fails to respond in a “reasonably timely manner” to a Department notice. The amendment includes three factors that the Department must consider before denying a license; namely, the nature of the information, the time that an applicant has been given to respond to the OTF, and the extent to which the Department’s ability to process the application has been adversely affected because of the overdue response (see R18-1-512(C)).

³ Applicants include the following license categories: air classes I and II (tables 1 and 2); open burning (Table 3); vehicle emission (Table 4); safe drinking water construction (Table 5); pesticide contamination prevention (Table 7); safe drinking water monitoring and treatment (Table 8); aquifer protection, subdivision approvals, reclaimed water, pollutant discharge elimination system, and land application of biosolids registrations (Table 10); surface water federal § 404 permit (Table 11); solid waste (Table 12); landfill (Table 14); biohazardous medical waste (new Table 15); waste tire, lead acid battery, and used oil licenses (Table 16); hazardous waste, including the new category “hazardous waste remedial action plan approval” (Table 17); underground storage tanks (Table 18); voluntary program remediation (Table 20); pollution prevention (Table 21); and multi-program (Table 22).

Amendments to the tables were necessary for the following reasons: wrong citations (changed or not needed), duplicated table entries of licenses (licenses issued by regional offices), unneeded license categories, new license categories, increases in permit processing times (safe drinking water construction licenses), and changes to designation of license group. This proposed rulemaking repeals tables 9 and 19. Tables 7 and 10 were repealed and replaced by a prior rulemaking effective March 11, 2003. Table 6 also was repealed by that rulemaking but not replaced.

⁴ Under the amended R18-1-507, an applicant who fails to make a timely response to a notice of administrative deficiencies under R18-1-503, a request for additional information under R18-1-504, or a supplemental request for additional information under R18-1-509 is subject to license denial by the Department. Before the Department denies the license, the applicant will have received all notices required by law.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: David H. Lillie, Economist
Address: Arizona Department of Environmental Quality
1110 W. Washington St.
Phoenix, AZ 85007
Telephone: (602) 771-4461 (In Arizona, call (800) 234-5677 and ask for the four-digit extension.)
Fax: (602) 771-2302
TTD: (602) 771-4829

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the proposed rules will be held as follows:

Date: Friday, September 29, 2006
Time: 1:00 p.m.
Location: 1110 W. Washington, Room 250
Phoenix, AZ 85007

The purpose of the oral proceeding is to provide an opportunity for formal comments on the record regarding the proposed rulemaking. ADEQ is committed to complying with the Americans With Disabilities Act. If an individual with a disability needs any type of accommodation, please contact ADEQ at least 72 hours before the hearing at (602) 771-4795. The rulemaking record will close at 5:00 p.m. on September 29, 2006. Anyone wishing to provide written comments regarding the rulemaking may submit their comments to ADEQ between 8:00 a.m. and 5:00 p.m., Monday through Friday, up until 5:00 p.m., September 29, 2006, to the person listed in item #4.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY

**CHAPTER 1. DEPARTMENT OF ENVIRONMENTAL QUALITY
ADMINISTRATION**

ARTICLE 5. LICENSING TIME-FRAMES

Section

R18-1-501.	Definitions
R18-1-502.	Applicability; Effective Date
R18-1-503.	Administrative Completeness Review Time-frame Operation; Administrative Completeness
R18-1-504.	Substantive Review Time-frame Operation; Requests for Additional Information
R18-1-505.	Overall Time-frame Operation
R18-1-507.	Ending of Time-frames; Licensing Decisions; Withdrawal; Notice of Licensing Time-frames Nonapplicability
R18-1-513.	Licensing Time-frames Opt-in Agreements Repealed
Table 3.	Open Burning Licenses Issued by the Phoenix Office
Table 3-N.	Open Burning Licenses Issued by the Northern Regional Office Repealed
Table 3-S.	Open Burning Licenses Issued by the Southern Regional Office Repealed
Table 4.	Vehicle Emission Licenses
Table 5.	Safe Drinking Water Construction Licenses Issued by the Phoenix Office
Table 7.	Pesticide Contamination Prevention Licenses
Table 8.	Safe Drinking Water Monitoring and Treatment Licenses
Table 9.	Water and Wastewater Facility Operator Licenses Repealed
Table 10.	Water Permit Licensing Time-frames
Table 11.	Surface Water Licenses
Table 13.	Special Waste Licenses
Table 14.	Landfill Licenses
Table 15.	Reserved Biohazardous Medical Waste Licenses
Table 16.	Waste Tire, Lead Acid Battery, and Used Oil Licenses
Table 17.	Hazardous Waste Licenses
Table 18.	Underground Storage Tank Licenses
Table 19.	WQARF Remediation Licenses Issued by the Phoenix Office Repealed
Table 19-S.	WQARF Remediation Licenses Issued by the Southern Regional Office Repealed
Table 20.	Voluntary Program Remediation Licenses

ARTICLE 5. LICENSING TIME-FRAMES

R18-1-501. Definitions

In addition to the definitions provided in A.R.S. § 41-1001, § 41-1072, and R18-1-101, the following definitions apply to this Article:

1. “Administrative completeness” or “administratively complete” means Department receipt of all application components required by statute or rule and necessary to enable the Department to issue a notice of administrative completeness under A.R.S. § 41-1074 and thereby end the administrative completeness review time-frame and start the substantive review time-frame.
2. “Administrative completeness review” means the process of clerical verification by the Department to determine whether the submitted application components meet the requirements of administrative completeness.
3. “Applicant” means the person who requests the Department to issue a license.
4. “Applicant response” means a written response from the applicant to a Department notice that complies with all the following:
 - a. The response identifies the applicant.

Notices of Proposed Rulemaking

- b. The response identifies the Department notice.
- c. The response is addressed to the Department employee identified in the Department notice as the designated recipient of the notice.
- d. The response contains the required information identified in the Department notice or the response contains a notice under R18-1-520 to rely on the application components as submitted.
5. "Application" means a request to the Department to issue a license to the requestor when that request is in writing and complies with R18-1-502 and R18-1-503(A).
6. "Application clerk" means a Department employee with authority to receive applications for the specific license identified on the submitted application component or applicant response.
7. "Application component" means a document, other written information, or fee required by statute or rule and submitted to the Department in support of an application.
8. "Companion category" means one of an association of two or more consecutive categories, shown on the license tables with paired license names, and containing a distinction between "standard" and "complex," between "without a public hearing" and "with a public hearing, or "without a public meeting" and "with a public meeting."
9. "Complex" means an application category that requires a significant increase in Department application review resources in excess of applications processed in a companion standard category due to the size, novelty, complexity, or technical difficulty expressed in the application.
10. "Comprehensive request for additional information" means a Department notification made after the administrative completeness review time-frame that:
 - a. Contains a list of information required by statute or rule and necessary before the Department may grant the license; and
 - b. Suspends the running of days within the time-frames.
11. "Day" means business day and excludes Saturdays, Sundays, and state holidays.
12. "Department notification" or "Department notice" means written communication by the Department to an applicant in person or at the mailing or electronic address identified on the application. The Department may notify the applicant at the applicant's electronic address only if the applicant provides that address as part of an application component. The notification is effective:
 - a. If mailed, on the date of its postmark.
 - b. If delivered in person by a Department employee or agent, on the date of delivery.
 - c. If delivered electronically, on the date of delivery to the electronic address.
13. "Department receipt" of an application component or an applicant response means one of the following days, whichever is later:
 - a. If the component or response is handed to an application clerk by the applicant, the day of actual receipt by the application clerk.
 - b. If the component or response is mailed, five days after a postmark identifying mailing date.
 - c. If the component or response is delivered to an electronic address of an application clerk, one day after the date of delivery to the electronic address.
 - ~~d.~~ If the Department notifies the applicant within five days after the date of actual receipt, the day of actual receipt of the component or response by the application clerk.
 - ~~e.~~ If during an application moratorium or time-frame suspension declared under R18-1-518, the day after the moratorium or suspension ends.
14. "Electronic address" means either a telephone number for facsimile document communication (fax) or an electronic mail (e-mail) address. "Electronic address" does not mean a telephone number for voice or TDD (telephone device for the deaf) communication.
15. "Fee excusal" means the sanction imposed on a Department fund under A.R.S. § 41-1077(A) that requires the Department to excuse further fees required from the applicant by the Department.
16. "Initial fee" means that part of the fee required to be submitted under R18-1-503(A).
17. "License category" means a numbered category identified on a license table.
18. "License table" means a table within this Article.
19. "Licensing time-frame" means any of the time-frames identified in A.R.S. §§ 41-1072 through 41-1079, the operation of which require the Department to report its compliance level for overall time-frames to the Governor's Regulatory Review Council under A.R.S. § 41-1078(A).
20. "Licensing time-frame agreement" means an agreement made under any of the sections R18-1-508 through ~~R18-1-513~~ R18-1-512.
21. "Penalty" means the sanction imposed on a Department fund under A.R.S. § 41-1077(B).
22. "Phased application" means an application processed pursuant to a licensing time-frame agreement that allows the applicant to submit application components in ~~2~~ two or more phases with each phase providing for administrative completeness review.
23. "Pre-application" means the period prior to Department receipt of an applicant's first application component submit-

- tal under R18-1-503(A).
24. "Presumptive administrative completeness" means the expiration of the administrative completeness review time-frame and the automatic start of the running of days within the substantive review time-frame under A.R.S. § 41-1074(C) if the Department fails to issue a notice of administrative completeness under A.R.S. § 41-1074(A).
 25. "Presumptive overall time-frame" means the sum of the days shown for the administrative completeness review and substantive review time-frames on the license tables for that license category and may be different from the actual overall time-frame because the presumptive overall time-frame does not include a lengthening of the time-frame due to a time-frame extension agreement or a shortening of the time-frame due to early starting of the substantive review time-frame caused by the issuance of a notice of administrative completeness.
 26. "Presumptive substantive review time-frame" means the days shown for the substantive review time-frame on the license tables for a license category.
 27. "Refund" means the sanction imposed on a Department fund under A.R.S. § 41-1077(A) that requires the Department to refund fees already paid by the applicant into that fund.
 28. "Request for additional information" means a Department notification or contact made after the administrative completeness review time-frame and that identifies information required by statute or rule and necessary before the Department may grant the license.
 29. "Sanction" means a refund, fee excusal, or penalty under A.R.S. § 41-1077.
 30. "Site inspection" means an inspection performed by the Department under A.R.S. § 41-1009 as part of a required component of an application for a license shown on the license tables.
 31. "Substantive review" means the process of qualitative evaluation by the Department of application components to determine whether the components meet all requirements in statute or rule and necessary to grant the license. "Substantive review" does not include clerical verification of the components nor does it include Department investigations resulting from reporting or notification requirements.
 32. "Time-frame extension" means the entire period after the overall time-frame would otherwise expire and during which an application is not subject to sanctions. The substantive review and overall time-frames continue in effect and do not expire during the time-frame extension.
 33. "Withdrawn application" means an application that has ceased to be subject to this Article due to the applicant's request that the Department cease all consideration of the application under R18-1-517. An applicant's ability to withdraw an application is not governed by this Article.
 34. ~~"WQARF" means water quality assurance revolving fund.~~

R18-1-502. Applicability; Effective Date

- A. This Article does not apply to any of the following:
1. A license not requiring an application.
 2. A license conferred by a prospective licensee's notification to the Department of an event, activity, or facility and that is not conferred by the Department in the form of a written license issued to the notifier in response to the notification.
 3. A license issued at the Department's initiative.
 4. A license issued by default if the Department does not make a licensing decision within a time identified in statute or rule.
 5. A license not identified in a category shown on the license tables.
 6. A license ~~that requires one or more application components pursuant to an enforcement, required under an abatement, or compliance order or consent agreement or a notice of violation in addition to those identified for a license category shown on the license tables if submission of the component or components is required before the Department may make a decision to grant the license.~~ if a time-frame in the order or consent agreement is different than the time-frame for the license category. The time-frame in the order or consent agreement shall supersede the time-frame for the license category.
 7. A license issued by a political subdivision of the state when acting under an agreement with the Department made pursuant to A.R.S. § 49-107 or A.R.S. Title 11, Chapter 7, Article 3.
 8. An application for which the applicant is not the prospective licensee.
 9. Compliance activity by licensees in conformance with an issued license except for license renewal or revision activity.
 10. Contractual activity under A.R.S. § 41-1005(A)(16).
 11. Activity that leads to the revocation, suspension, annulment, or withdrawal of a license.
 12. ~~A license for which Department receipt of the 1st application component submittal under R18-1-503(A) occurs before the effective date of this Article. The effective date of this Article shall be at midnight 2 weeks after the notice of final rulemaking is filed with the secretary of state.~~
- B. If an application becomes subject to this Article, it remains subject to the terms of the original license category in which it was classified unless the application is withdrawn, is altered by a licensing time-frames agreement, or is changed under

R18-1-516. If altered by a licensing time-frames agreement, the terms of the original license category are modified only to the extent expressly stated in the licensing time-frames agreement.

- C. If an Arizona statute or other rule in this Title conflicts with this Article, the statute or other rule governs except that only this Article determines whether an applicant is entitled to a refund and fee excusal due to Department failure to notify an applicant of a licensing decision within a licensing time-frame under A.R.S. § 41-1077(A).

R18-1-503. Administrative Completeness Review Time-frame Operation; Administrative Completeness

- A. The administrative completeness review time-frame for an application begins on the day of Department receipt of the first component submittal in support of the application that contains all the following:
1. Identification of the applicant.
 2. If the license is for a facility, identification of the facility.
 3. Name and mailing address of the applicant ~~or~~ and, if any applicant's agent authorized by the applicant to receive all notices issued by the Department under this Article.
 4. Identification of the license category in which the application shall be first processed. If companion categories are shown on a license table for this license, the application shall be first processed in the companion category that is determined as follows:
 - a. If "standard" and "complex" categories are shown, in the "standard" category.
 - b. If "without a public hearing" and "with a public hearing" are shown, in the "without a public hearing" category.
 - c. If "without a public meeting" and "with a public meeting" are shown, in the "without a public meeting" category.
 5. Completed Department application form if required for the license category.
 6. Initial fee if required for the license category.
 7. All application components ~~set forth by the Department in accordance with A.R.S. § 41-1079~~ required by statute or rule necessary for the Department to determine whether an application is administratively complete.
- B. The administrative completeness review time-frame for an application ends on the earlier of the following days:
1. The day the Department notifies the applicant that the application is administratively complete under A.R.S. § 41-1074.
 2. If the Department does not notify the applicant that the application is administratively complete under A.R.S. § 41-1074, the last day shown for the administrative completeness review time-frame for the relevant license category on the license tables.
- C. If a notice of administrative deficiencies states that the Department is suspending the running of days within the time-frames until the applicant supplies the missing information identified on a comprehensive list of specific deficiencies included with the notice, the running of days within the administrative completeness review time-frame suspends on the day of notification.
- D. If suspended, the running of days within the administrative completeness review time-frame ~~resumes upon Department receipt of the missing information identified on the comprehensive list of specific deficiencies except when the Department notifies the applicant within 10 days after receipt that not all of the missing information was supplied, in which case the running of days within the time frame remains suspended from the time of the first notice under subsection (C) of this Section until the applicant supplies the all missing information identified on the comprehensive list of specific deficiencies is supplied to the Department, and the Department makes the determination under subsection (E) of this Section.~~
- E. If the Department determines that an applicant has submitted all application components required by statute or rule within the administrative completeness review time-frame and necessary to allow the Department to grant the license, the Department shall notify the applicant that the application is administratively complete under A.R.S. § 41-1074.
- F. If presumptive administrative completeness occurs:
1. Further notices of administrative deficiencies issued under subsection (C) of this Section will not suspend the running of days within the substantive review or overall time-frames and
 2. The Department does not waive the requirement for the applicant to submit all application components necessary to allow the Department to grant the license.
- G. The running of days within the administrative completeness review time-frame also suspends and resumes under R18-1-518 (emergencies).
- H. ~~If, within five days after Department receipt of a first component submittal under subsection (A) of this Section, the Department determines that the submittal is so defective that the applicant clearly failed to make a good faith effort to submit all application components required by statute or rule and necessary for the Department to make a licensing decision to grant the license, the Department may determine that the submittal is not subject to this Article and that the Department shall not process the submittal. Department notification of this determination under R18-1-507(E) will cause all time-frames to end. The Department shall allow the applicant to reclaim the submittal.~~

R18-1-504. Substantive Review Time-frame Operation; Requests for Additional Information

- A. The substantive review time-frame for an application begins on one of the following days:
1. If the Department notifies the applicant that the application is administratively complete before the expiration of the

Notices of Proposed Rulemaking

administrative completeness review time-frame, one day after notification.

2. If the Department does not notify the applicant that the application is administratively complete before the expiration of the administrative completeness review time-frame, one day after expiration.
- B. The substantive review time-frame for an application ends on the earlier of the following days:
 1. The day of Department notification that it has made a licensing decision under A.R.S. § 41-1076 and R18-1-507.
 2. The last day shown for the substantive review time-frame for the license category on the license tables.
- C. If the Department notifies the applicant to respond to a comprehensive request for additional information, the running of days within the substantive review time-frame suspends on the day of Department notification. The Department may issue only one comprehensive request that suspends the running of days within the substantive review time-frame under A.R.S. § 41-1075(A).
- D. The running of days within the substantive review time-frame ~~resumes upon Department receipt of the missing information identified in the comprehensive request except if the Department notifies the applicant within 15 days after receipt that not all of the missing information was supplied, in which case the running of days within the time frame remains suspended from the time of the notice under subsection (C) of this Section until the applicant supplies the all missing information to the Department.~~
- E. The running of days within the substantive review time-frame also suspends and resumes under R18-1-518 (emergencies).

R18-1-505. Overall Time-frame Operation

- A. The overall time-frame for an application begins on the same day as the administrative completeness review time-frame.
- B. The running of days within the overall time-frame suspends and resumes in concert with the administrative completeness and substantive review time-frames and time-frame extensions.
- C. The duration of the overall time-frame equals the sum of all the following days unless altered by R18-1-508 (licensing time-frames pre-application agreements); or R18-1-511 (changed licensing time-frames agreements); ~~or R18-1-513 (licensing time-frames opt-in agreements):~~
 1. The lesser of:
 - a. The number of days shown for the administrative completeness review time-frame on the license tables, or
 - b. The actual number of days for the administrative completeness review time-frame if the Department notifies the applicant under R18-1-503(E) that the application is administratively complete before the expiration of the administrative completeness review time-frame;
 2. The lesser of:
 - a. The number of days shown for the substantive review time-frame on the license tables,
 - b. The actual number of days for the substantive review time-frame if the Department notifies the applicant of a licensing decision under R18-1-504(B)(1), or
 - c. The actual number of days for the substantive review time-frame if the applicant causes the ~~time frame clocks~~ time-frames to end under R18-1-507(D); and
 3. The number of days added by one or more licensing time-frames extension agreements under R18-1-510.

R18-1-507. Ending of Time-frames; Licensing Decisions; Withdrawal; Notice of Licensing Time-frames Nonapplicability

- A. Department notification of the ~~following licensing decisions~~ grant or denial of a license is sufficient to end all licensing time-frames for an application:
 1. ~~Unconditional grant of the license, meaning that the Department did not add conditions not requested by, or agreed to by, the applicant.~~
 2. ~~Conditional grant of the license, meaning that the Department added conditions not requested by, or agreed to by, the applicant.~~
 3. ~~Denial of the license.~~
- ~~B. Department notification of a conditional grant of a license under subsection (A) of this Section shall include both the following:~~
 1. ~~An explanation of the applicant's right to appeal the action under A.R.S. §§ 41-1076(2) and 41-1092.03(A).~~
 2. ~~An explanation of the applicant's right to request an informal settlement conference under A.R.S. §§ 41-1092.03(A) and 41-1092.06.~~
- ~~C. B.~~ The Department may deny a license ~~under subsection (A) of this Section~~ if the applicant submits incomplete or inaccurate information in response to a notice of administrative deficiencies under R18-1-503, a request for additional information or a comprehensive request for additional information under R18-1-504, a supplemental request for additional information under R18-1-509, or any other deficiency in the application that prevents the Department from exercising its authority to grant the license.
- C. The Department may deny a license if the applicant fails to respond in a reasonably timely manner to a notice of administrative deficiencies under R18-1-503, a request for additional information or a comprehensive request for additional information under R18-1-504, or a supplemental request for additional information under R18-1-509, and the deficiency in the

Notices of Proposed Rulemaking

application prevents the Department from exercising its authority to grant the license. In determining whether an applicant has failed to respond to a notice or request in a reasonably timely manner and the deficiency in the application prevents the Department from exercising its authority to grant the license, the Department shall consider the following factors:

1. The nature of the information requested.
2. The time that an applicant has been given to respond relative to the overall time-frame for that category of license.
3. The extent to which the Department's ability to process applications for that or related license categories is adversely affected by overdue responses for information.

D. Department notice of the denial of a license shall include all the following:

1. A justification for the denial under A.R.S. § 41-1076(1).
2. An explanation of the applicant's right to appeal the action under A.R.S. §§ 41-1076(2) and 41-1092.03(A).
3. An explanation of the applicant's right to request an informal settlement conference under A.R.S. §§ 41-1092.03(A) and 41-1092.06.

D.E. The following actions by the applicant are sufficient to end all time-frames for an application:

1. Withdrawing the application under R18-1-517.
2. Entering into a changed licensing time-frames agreement under R18-1-511.

E.F. If the Department determines during its review of an application that the application is not subject to this Article, the Department shall notify the applicant that the application is not subject to this Article. The Department notification shall contain the Department's reason for making the determination. Department notification under this subsection causes all time-frames for the application to end.

R18-1-513. Licensing Time-frames Opt-in Agreements Repealed

~~**A.** An applicant and the Department may enter into an agreement to make an application subject to this Article when that application is otherwise exempt. An opt-in agreement creates a set of time-frames that operates under the agreement.~~

~~**B.** A licensing time-frames opt-in agreement shall contain at least the following terms:~~

- ~~1. Unless otherwise specified in the agreement, all requirements of this Article apply to the application.~~
- ~~2. Identification of the license category within which the Department shall continue processing the application.~~
- ~~3. Identification of application components required in support of the application.~~
- ~~4. The number of time-frame days applicable to the application.~~
- ~~5. A fee adjustment, if appropriate.~~

~~**C.** A licensing time-frames opt-in agreement may allow an applicant to submit certain application components in one or more phases during the substantive review time-frame if the agreement contains terms equivalent to those under R18-1-508(C).~~

~~**D.** The Department shall consider all the following factors when determining whether to enter into a licensing time-frames opt-in agreement:~~

- ~~1. The complexity of the licensing subject matter. The Department shall not enter into an agreement if the time set for the substantive review time-frame is less than 90 days.~~
- ~~2. The resources of the Department. The Department shall not enter into an agreement if the Department determines that either the negotiation of the agreement or the terms of the agreement are likely to require the Department to expend additional resources to the significant detriment of other applicants.~~
- ~~3. The impact on public health and safety or the environment. The Department shall not enter into an agreement if the Department determines that the terms of the agreement are likely to cause a significant increase or change in the nature of the potential detrimental effects of the facility or activity to be governed by the license on public health and safety or the environment.~~

Table 3. Open Burning Licenses Issued by the Phoenix Office

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
1. Dangerous material open burning permit, A.R.S. § 49-501, A.A.C. R18-2-602.	5	21	No	A.A.C. R18-2-602(E)(1) R18-2-602(D)(2), Department application form required.

Table 3-N. ~~Open Burning Licenses Issued by the Northern Regional Office~~ Repealed

~~Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements~~

~~ACRTF means Administrative Completeness Review Time-frame.~~

~~SRTF means Substantive Review Time-frame.~~

~~Day means business day.~~

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
1. Dangerous material open burning permit, A.R.S. § 49-501, A.A.C. R18-2-602.	5	21	No	A.A.C. R18-2-602(E)(1); Department application form required.

Table 3-S. ~~Open Burning Licenses Issued by the Southern Regional Office~~ Repealed

~~Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements~~

~~ACRTF means Administrative Completeness Review Time-frame.~~

~~SRTF means Substantive Review Time-frame.~~

~~Day means business day.~~

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
1. Dangerous material open burning permit, A.R.S. § 49-501, A.A.C. R18-2-602.	5	21	No	A.A.C. R18-2-602(E)(1); Department application form required.

Notices of Proposed Rulemaking

Table 4. Vehicle Emission Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
1. Fleet station permit, A.R.S. § 49-546, A.A.C. R18-2-1019, R18-2-1026.	15	21	No	A.A.C. R18-2-1019, Department application form required.
2. Analyzer facility <u>Emissions analyzer/opacity meter</u> registration, A.R.S. §§ 49-542(J)(4) and 49-546(A)(2), A.A.C. R18-2-1027.	10	10	No	A.A.C. R18-2-1027, Department application form and site inspection required.

Table 5. Safe Drinking Water Construction Licenses ~~Issued by the Phoenix Office~~

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
Group I: Drinking water approval-to-construct (ATC) licences licenses:				
1. Standard drinking water treatment facility, project, or well approval to construct, A.R.S. § 49-353, A.A.C. R18-4-505 <u>R18-5-505</u> .	16 <u>16</u>	32 <u>37</u>	No	A.A.C. R18-4-505 <u>R18-5-505</u> , Department application form and site inspection required.
2. Complex drinking water treatment facility, project, or well approval to construct, A.R.S. § 49-353, A.A.C. R18-4-505 <u>R18-5-505</u> .	16 <u>16</u>	62 <u>67</u>	No	A.A.C. R18-4-505 <u>R18-5-505</u> , Department application form and site inspection required.
3. Standard public and semi-public swimming pool design approval, A.R.S. § 49-104(B)(12).	24 <u>26</u>	24 <u>26</u>	No	A.A.C. R18-5-203, Department application form and site inspection required.
4. Complex public and semi-public swimming pool design approval, A.R.S. § 49-104(B)(12).	24 <u>26</u>	62 <u>67</u>	No	A.A.C. R18-5-203, Department application form and site inspection required.

Group II: Drinking water approval-of-construction (AOC) licenses:

- | | | |
|---|--|---|
| 5. Standard drinking water treatment facility, project, or well approval of construction,
A.R.S. § 49-353,
A.A.C. R18-4-507 <u>R18-5-507</u> . | ++ <u>16</u> 32 <u>37</u> No | A.A.C. R18-4-507 <u>R18-5-507</u> ,
Department application form and site inspection required. |
| 6. Complex drinking water treatment facility, project, or well approval of construction,
A.R.S. § 49-353,
A.A.C. R18-4-507 <u>R18-5-507</u> . | ++ <u>16</u> 62 <u>67</u> No | A.A.C. R18-4-507 <u>R18-5-507</u> ,
Department application form and site inspection required. |
| 7. Standard public and semi-public swimming pool approval of construction,
A.R.S. § 49-104(B)(12). | 24 <u>26</u> 24 <u>26</u> No | A.A.C. R18-5-204,
Department application form and site inspection required. |
| 8. Complex public and semi-public swimming pool approval of construction,
A.R.S. § 49-104(B)(12). | 24 <u>26</u> 62 <u>67</u> No | A.A.C. R18-5-204,
Department application form and site inspection required. |

Group III: Other licenses:

- | | | |
|--|---|---|
| 9. Standard drinking water new source approval,
A.R.S. § 49-353,
R-18-4-505 <u>A.A.C. R18-5-505</u> . | ++ <u>16</u> 32 <u>37</u> No | A.A.C. R18-4-505 <u>R18-5-505</u> ,
Department application form and site inspection required. |
| 10. Complex drinking water new source approval,
A.R.S. § 49-353,
R-18-4-505 <u>A.A.C. R18-5-505</u> . | ++ <u>16</u> 62 <u>67</u> No | A.A.C. R18-4-505 <u>R18-5-505</u> ,
Department application form and site inspection required. |
| 11. Drinking water time extension approval,
A.R.S. § 49-353,
A.A.C. R18-4-505 <u>R18-5-505</u> . | ++ <u>16</u> 44 <u>16</u> No | A.A.C. R18-4-505 <u>R18-5-505</u> ,
Department application form required. |

Table 7. Pesticide Contamination Prevention Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
1. New pesticide approval A.R.S. § 49-302(F) A.A.C. R18-6-102(B)	62	124	No	A.A.C. R18-6-102, R18-6-106
2. Active ingredient or pesticide criticality determination A.R.S. § 49-302(F) A.A.C. R18-6-102(B)	21	41	No	A.A.C. R18-6-102

Notices of Proposed Rulemaking

3. Pesticide addition or deletion to groundwater protection list approval
 A.R.S. § 49-305(A)
 A.A.C. R18-6-105(D) 21 41 No A.A.C. R18-6-105(D)

4. Conditional pesticide registration 21 41 No A.R.S. § 49-310
A.R.S. § 49-310

**Table 8. Safe Drinking Water Monitoring and Treatment Licenses
 Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements**

ACRTF means Administrative Completeness Review Time-frame.
 SRTF means Substantive Review Time-frame.
 Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
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Group I: Safe drinking water monitoring, sample, and sample site change and waiver licenses:

1. Monitoring frequency change approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-206(G)(1), R18-4-206(G)(2), R18-4-206(J), R18-4-206(K)(1), R18-4- 206(K)(2), R18-4-207(I)(1), R18-4-207(I)(2), R18-4-207(H)(1), R18-4-207(H)(2), R18-4-208(E), R18- 4-208(F), R18-4-209(G), R18-4-212(E), R18-4-212(F), R18-4-212(G)(1), R18-4-212(G)(2), R18-4-212(I)(3), R18-4-213(A), R18-4-214(F), R18-4-214.01(H), R18-4- 214.01(L), R18-4-214.02(G), R18-4-214.02(K), R18-4- 216(E), R18-4-216(G)(1), R18-4-216(G)(2), R18-4- 216(H)(3), R18-4-217(E)(1), R18-4-310(E), R18-4- 310(E)(2), R18-4-217(D), R18-4-217(E), R18-4-217(F), R18-4-310(D), R18-4-310(D)(2), R18-4-313(J), R18-4- 313(K), R18-4-313(M)(1), R18-4-313(M)(2), R18-4- 313(M)(4), R18-4-403(E)(1), R18-4-403(E)(2), R18-4- 313(M)(3), R-18-4-403(A)(1), R18-4-403(A)(2).	15	27	No	A.A.C. R18-4-206(G)(1), R18-4-206(G)(2), R18-4- 206(J), R18-4-206(K)(1), R18-4-206(K)(2), R18-4- 207(I)(1), R18-4-207(I)(2), R18-4-207(H)(1), R18-4-207(H)(2) R18-4-208(E), R18-4-208(F), R18-4-209(G), R18-4- 212(E), R18-4-212(F), R18-4-212(G)(1), R18-4- 212(G)(2), R18-4-212(I)(3), R18-4-213(A), R18-4- 214(F), R18-4-214.01(H), R18-4-214.01(L), R18-4- 214.02(G), R18-4-214.02(K), R18-4-216(E), R18-4-216(G)(1), R18-4-216(G), R18-4-216(H)(3), R18-4-217(E)(1), R18-4-310(E), R18-4-310(E)(2), R18-4-217(D), R18-4-217(E), R18- 4-217(F), R18-4-310(D), R18-4-310(D)(2), R18-4- 313(J), R18-4-313(K), R18-4-313(M)(1), R18-4- 313(M)(2), R18-4-313(M)(4), R18-4-403(E)(1), R18- 4-403(E)(2), R18-4-313(M)(3), R18-4-403(A)(1), R18-4-403(A)(2). Department application form required.
2. Monitoring sample change approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-214(E), <u>R18-4- 214.02(F), R18-4-310(E), R18-4-313(J), R18-4- 313(M)(1), R18-4-313(M)(2), R18-4-313(M)(3).</u>	15	27	No	A.A.C. R18-4-214(E), <u>R18-4-214.02(F), R18-4- 310(E), R18-4-313(J), R18-4-313(M)(1), R18-4- 313(M)(2), R18-4-313(M)(3).</u> Department application form required.
3. Residual disinfectant concentration sampling interval approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-303(B)(2)(a).	15	15	No	A.A.C. R18-4-303, Department application form required.
4. Interim monitoring relief determination, A.R.S. § 49-359(B)(3).	21	41	No	A.R.S. § 49-359(B), Department application form required.
5. Man-made radioactivity environmental surveillance substitution approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-217(H)(3)(d), R18-4-217(I)(3)(d).	21	62	No	A.A.C. R18-4-217(H)(3)(d), R18-4-217(I)(3)(d), Department application form required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

6. Consecutive public water system monitoring requirements modification approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-113.	21	84	No	A.A.C. R18-4-113, Department application form and site inspection required.
7. Trihalomethane source basis for sampling purposes approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-214(C).	21	167	No	A.A.C. R18-4-214, Department application form and site inspection required.
8. Sodium multiple well sampling number reduction approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-402(B) R18-4-401(B)	21	167	No	A.A.C. R18-4-402 , R18-4-401 Department application form and site inspection required.
9. Turbidity monitoring frequency reduction approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-302(H).	21	167	No	A.A.C. R18-4-302, Department application form and site inspection required.
10. Monitoring waiver approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-206(L), R18-4-207(L) , R18-4-207(K), R18-4-212(K)(1), R18-4-212(K)(2), R18-4-212(K)(3), R18-4-212(K)(4), R18-4-216(M)(1), R18-4-216(M)(2), R18-4-217(E)(2) , R18-4-401(D), R18-4-404(E), R18-4-404(F) R18-4-217(F).	21	105	No	A.A.C. R18-4-206(L), R18-4-207(L) , R18-4-207(K), R18-4-212(K)(1), R18-4-212(K)(2), R18-4-212(K)(3), R18-4-212(K)(4), R18-4-216(M)(1), R18-4-216(M)(2), R18-4-217(E)(2) , R18-4-401(D), R18-4-404(E), R18-4-404(F), R18-4-217(F). Department application form required.

Group II: Safe drinking water variance and exemption licenses:

11. Maximum contaminant level or treatment technique requirement variance with no public hearing, A.R.S. § 49-353(A)(2), A.A.C. R18-4-110.	21	105	No	A.A.C. R18-4-110, Department application form and site inspection required.
12. Maximum contaminant level or treatment technique requirement variance with a public hearing, A.R.S. § 49-353(A)(2), A.A.C. R18-4-110.	21	187	No	A.A.C. R18-4-110, Department application form and site inspection required.
13. Maximum contaminant level or treatment technique requirement exemption with no public hearing, A.R.S. § 49-353(A)(2), A.A.C. R18-4-111.	21	105	No	A.A.C. R18-4-111, Department application form and site inspection required.
14. Maximum contaminant level or treatment technique requirement exemption with a public hearing, A.R.S. § 49-353(A)(2), A.A.C. R18-4-111.	21	187	No	A.A.C. R18-4-111, Department application form and site inspection required.
15. Maximum contaminant level or treatment technique requirement compliance extension approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-111(C).	21	32	No	A.A.C. R18-4-111, Department application form and site inspection required.
16. Maximum contaminant level or treatment technique requirement compliance additional extension approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-111(C)(4) , R18-4-111(C).	21	42	No	A.A.C. R18-4-111, Department application form and site inspection required.
17. Safe drinking water requirement exclusion approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-112(A).	21	42	No	A.A.C. R18-4-112(B), Department application form and site inspection required.
18. Backflow-prevention assembly third-party certifying entity designation approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-115(D)(2).	21	105	No	A.A.C. R18-4-115, Department application form and site inspection required.

Notices of Proposed Rulemaking

Group III: Safe drinking water treatment and monitoring plan licenses:

19. Maximum contaminant level compliance blending plan approval (for 10 or fewer points-of entry), A.R.S. § 49-353(A)(2), R18-4-221(A).	21	42	No	A.A.C. R18-4-221, Department application form and site inspection required.
20. Maximum contaminant level compliance blending plan approval (for more than 10 points-of-entry), A.R.S. § 49-353(A)(2), R18-4-221(A).	21	84	No	A.A.C. R18-4-221, Department application form and site inspection required.
21. Maximum contaminant level compliance blending plan change approval (for 10 or fewer points-of entry), A.R.S. § 49-353(A)(2), R18-4-221(B).	21	42	No	A.A.C. R18-4-221, Department application form and site inspection required.
22. Maximum contaminant level compliance blending plan change approval (for more than 10 points-of-entry), A.R.S. § 49-353(A)(2), R18-4-221(B).	21	84	No	A.A.C. R18-4-221, Department application form and site inspection required.
23. Maximum contaminant level compliance at subsequent downstream service connections monitoring plan approval, A.R.S. § 49-353(A)(2), R18-4-221(A)(2).	21	125	No	A.A.C. R18-4-221, Department application form and site inspection required.
24. Point-of-entry treatment device monitoring plan approval, A.R.S. § 49-353(A)(2), R18-4-222(B)(1).	15	15	No	A.A.C. R18-4-222, Department application form and site inspection required.
25. Point-of-entry treatment device design approval, A.R.S. § 49-353(A)(2), R18-4-222(B)(2).	21	167	No	A.A.C. R18-4-222, Department application form and site inspection required.
26. Lead and copper source water treatment determination modification, A.R.S. § 49-353(A)(2), A.A.C. R18-4-313(N) , R18-4-313(P), R18-4-313(O).	21	167	No	A.A.C. R18-4-313, Department application form and site inspection required.
27. Lead and copper source water concentration determination modification, A.R.S. § 49-353(A)(2), A.A.C. R18-4-314(N).	21	167	No	A.A.C. R18-4-314, Department application form and site inspection required.
28. Lead service line extent under system control determination approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-315(D).	21	105	No	A.A.C. R18-4-315, Department application form and site inspection required.
29. Lead service line extent under system control rebuttable presumption determination approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-315(E).	21	105	No	A.A.C. R18-4-315, Department application form and site inspection required.

Group IV: Lead and copper corrosion control licenses:

30. Lead and copper optimal corrosion control treatment approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-313(A).	42	502	No	A.A.C. R18-4-313, Department application form and site inspection required.
31. Large water system lead and copper corrosion control activities equivalency demonstration approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-306(B)(1) , R18-4-307(B).	42	502	No	A.A.C. R18-4-306 , R18-4-307 Department application form and site inspection required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

32. Small and medium water system lead and copper corrosion control activities equivalency demonstration approval, A.R.S. § 49-353(A)(2), A.A.C. R18-4-307(B)(2) , R18-4-307(B).	21	502	No	A.A.C. R18-4-307, Department application form and site inspection required.
33. Lead and copper optimal corrosion treatment determination modification, A.R.S. § 49-353(A)(2), A.A.C. R18-4-313(N) R18-4-313(P), R18-4-313(Q).	42	376	No	A.A.C. R18-4-313, Department application form and site inspection required.
34. Lead and copper water quality control parameters determination modification, A.R.S. § 49-353(A)(2), A.A.C. R18-4-313(N) R18-4-313(P), R18-4-313(Q).	42	376	No	A.A.C. R18-4-313, Department application form and site inspection required.

**Table 9. ~~Water and Wastewater Facility Operator Licenses~~ Repealed
Subject to A.R.S. § 41-1073(A) ~~Licensing Time frame Requirements~~**

ACRTF means Administrative Completeness Review Time frame.
SRTF means Substantive Review Time frame.
Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
Group I: Drinking water operator licenses:				
1. Drinking water treatment or distribution facility operator new certification; A.R.S. § 49-352; A.A.C. R18-5-105.	105	10	No	A.A.C. R18-5-101 through R18-5-115; Fee: R18-5-113; Department application form, test space availability, and initial fee required.
2. Drinking water treatment or distribution facility operator renewal certification; A.R.S. § 49-352; A.A.C. R18-5-107, R18-5-108(D).	42	10	No	A.A.C. R18-5-101 through R18-5-115; Fee: R18-5-113; Department application form and initial fee required.
3. Drinking water treatment or distribution facility operator reciprocity certification; A.R.S. § 49-352; A.A.C. R18-5-110(A).	42	10	No	A.A.C. R18-5-101 through R18-5-115; Fee: R18-5-113; Department application form and initial fee required.
4. Drinking water treatment or distribution facility operator certification without examination; A.R.S. § 49-352; A.A.C. R18-5-111.	42	10	No	A.A.C. R18-5-101 through R18-5-115; Fee: R18-5-113; Department application form and initial fee required.
Group II: Wastewater operator licenses:				
5. Wastewater treatment or collection facility operator new certification; A.R.S. § 49-361; A.A.C. R18-5-105.	105	10	No	A.A.C. R18-5-101 through R18-1-115; Fee: A.A.C. R18-1-113; Department application form, test space availability, and initial fee required.
6. Wastewater treatment or collection facility operator renewal certification; A.R.S. § 49-361; A.A.C. R18-5-107, R18-5-108(D).	42	10	No	A.A.C. R18-5-101 through R18-1-115; Fee: A.A.C. R18-1-113; Department application form and initial fee required.
7. Wastewater treatment or collection system operator reciprocity certification; A.R.S. § 49-361; A.A.C. R18-5-110(A).	42	10	No	A.A.C. R18-5-101 through R18-1-115; Fee: A.A.C. R18-1-113; Department application form and initial fee required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

8. Wastewater treatment or collection system operator certification without examination, 42 10 No
 A.R.S. § 49-361,
 A.A.C. R18-5-111.

A.A.C. R18-5-101 through R18-1-115,
 Fee: A.A.C. R18-1-113,
 Department application form and initial fee required.

Table 10. Water Permit Licensing Time-frames (Business Days)

Permits	Authority	Administrative Completeness Review	Substantive Review			Overall Time-frame
			Pre-Construction	Post-Construction	Total	
AQUIFER PROTECTION PERMITS						
Individual Permit No public hearing	A.R.S. §§ 49-203, 49-242	35	n/a	n/a	186	221
	18 A.A.C. 9, Article 2	35	n/a	n/a	231 ¹	266
Complex Individual Permit No public hearing	A.R.S. §§ 49-203, 49-242	35	n/a	n/a	249	284
	18 A.A.C. 9, Article 2	35	n/a	n/a	294 ¹	329
Individual Permit Significant Amendment No public hearing	A.R.S. §§ 49-203, 49-242	35	n/a	n/a	186	221
	18 A.A.C. 9, Article 2	35	n/a	n/a	231 ¹	266
Complex Individual Permit Significant Amendment No public hearing	<u>A.R.S. §§ 49-203, 49-242</u>	<u>35</u>			<u>249</u>	<u>284</u>
	<u>18 A.A.C. 9, Article 2</u>	<u>35</u>			<u>294¹</u>	<u>329</u>
Individual Permit Other Amendment	A.R.S. §§ 49-203, 49-242 18 A.A.C. 9, Article 2	35	n/a	n/a	100	135
Temporary Individual Permit	A.R.S. §§ 49-203, 49-242 18 A.A.C. 9, Article 2	35	n/a	n/a	145	180
Type 3 General Permit	A.R.S. § 49-245 A.A.C. R18-9-D301 through R18-9-D307	21	n/a	n/a	60	81
4.01 General Permit 300 services or less	A.R.S. § 49-245 A.A.C. R18-9-E301	21 <u>42</u> 21	32		53	95 ²
		21 <u>42</u> 21	62	21	94	136 ²
Standard Single 4.02, 4.03, 4.13, and 4.14, 4.15, and 4.16 General Permits	A.R.S. § 49-245 A.A.C. R18-9-E302 A.A.C. R18-9-E303 A.A.C. R18-9-E313 A.A.C. R18-9-E314	21 <u>42</u>	21	40	31	73 ²
		21 <u>42</u>	62	32	94	136 ²
4.23 General Permit	A.R.S. § 49-245 A.A.C. R18-9-E323	21 <u>42</u>	62	32	94	136 ²
Standard Combined Two or three Type 4 General Permits	A.R.S. § 49-245 A.A.C. R18-9-E302 through R18-9-E323	21 <u>42</u>	32	21	53	95 ²

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

Complex Combined Four or more Type 4 General Permits	A.R.S. § 49-245 A.A.C. R18-9-E302 through R18-9-E323	21 21 42	62	32	94	136 ²
SUBDIVISION APPROVALS						
Subdivision Individual facilities	A.R.S. § 49- 104(B)(11) A.A.C. R18-5-408	21	n/a	n/a	46	67
Subdivision Community facilities	A.R.S. § 49- 104(B)(11) A.A.C. R18-5-403	21	n/a	n/a	37	58
RECLAIMED WATER PERMITS						
Individual Permit No public hearing Public hearing	A.R.S. § 49-203 A.A.C. R18-9-702 through R18-9-707	35 35	n/a n/a	n/a n/a	186 231 ¹	221 266
Complex Individual Permit No public hearing Public hearing	A.R.S. § 49-203 A.A.C. R18-9-702 through A.A.C. R18-9-707	35 35	n/a n/a	n/a n/a	249 294 ¹	284 329
Type 3 General Permit	A.R.S. § 49-203 A.A.C. R18-9-717 A.A.C. R18-9-718 A.A.C. R18-9-719	21	n/a	n/a	60	81
ARIZONA POLLUTANT DISCHARGE ELIMINATION SYSTEM (AZPDES) PERMITS						
Individual Permit Major Facility⁵ No public hearing Public hearing	A.R.S. § 49-255.01 18 A.A.C. 9, Article 9, Part B	35 35	n/a n/a	n/a n/a	249 294 ¹	284 ^{3, 4} 329 ^{3, 4}
Individual Permit Minor Facility⁶ No public hearing Public hearing	A.R.S. § 49-255.01 18 A.A.C. 9, Article 9, Part B	35 35	n/a n/a	n/a n/a	186 231 ¹	221 ^{3, 4} 266 ^{3, 4}
Individual Permit Stormwater / Construction Activities No public hearing Public hearing	A.R.S. § 49-255.01 18 A.A.C. 9, Article 9, Part B	35 35	n/a n/a	n/a n/a	126 171 ¹	161 206 ^{3, 4}
Individual Permit Major Modification No public hearing Public hearing	A.R.S. § 49-255.01 18 A.A.C. 9, Article 9, Part B	35 35	n/a n/a	n/a n/a	186 231 ¹	221 ^{3, 4} 266 ^{3, 4}
LAND APPLICATION OF BIOSOLIDS REGISTRATIONS						
Biosolid Applicator Registration Request Acknowledgment	A.R.S. § 49-255.03 A.A.C. R18-9-1004	15	n/a	n/a	0	15

¹ A request for a public hearing allows the Department 60 days to publish the notice of public hearing and for the official comment period. Forty-five business days are added to the substantive review time-frame.

² Each request for an alternative design, installation, or operational feature under R18-9-A312(G) to a Type 4 General Permit adds eight business days to the substantive review time-frame.

³ EPA reserves the right, under 40 CFR 123.44, to take 90 days to supply specific grounds for objection to a draft or proposed permit when a general objection is filed within the review period. The first 30 days run concurrently with the Department's official comment period. Forty-five business days will be added to the substantive review time-frame to allow for the EPA review.

⁴ If a request for a variance is submitted to the Department, 40 CFR 124.62 requires that specific variances are subject to review by EPA. Under 40 CFR 123.44, EPA reserves the right to take 90-days to approve or deny the variance. Sixty-four business days will be added to the substantive review time-frame to allow for the EPA review.

⁵ "Major facility" means any NPDES "facility or activity" classified as such by the EPA in conjunction with the Director.

⁶ "Minor facility" means any facility that is not classified as a major facility.

Notices of Proposed Rulemaking

Table 11. Surface Water Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Clean Water Act (CWA) § 401 certification licenses:				
1. CWA § 401 state certification of a proposed CWA § 402 NPDES permit, A.R.S. § 49-202.	24	42	No	A.R.S. § 49-202, Public notice of underlying proposed permit required.
2. CWA § 401 state certification of a proposed CWA § 404 permit, A.R.S. § 49-202.	21	42	No	A.R.S. § 49-202, 33 U.S.C. § 1341(a), Public notice of underlying proposed permit and Department application form required.
3. CWA § 401 state certification of a proposed nonpoint source activity for a federal permit, A.R.S. § 49-202.	5	32	No	A.R.S. § 49-202, Department application form required.

Table 13. Special Waste Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Special waste licenses:				
1. Waste from shredding motor vehicles alternative sampling plan approval, A.R.S. §§ 49-762 and 49-857, A.A.C. R18-8-307(A) , <u>R18-13-1307(A)</u> .	5	5	No	A.A.C. R18-8-307(A), R18-13-1307(A). <u>Initial fee required.</u>
2. Special waste <u>Petroleum contaminated soil</u> temporary treatment facility approval, A.R.S. §§ 49-762 and 49-857 , A.A.C. R18-8-1610 <u>R18-13-1610(B)</u> .	32	62	No	A.A.C. R18-8-1607, R18-13-1610(B).
Group II: Special waste facility plan licenses:				
3. Existing special waste facility plan approval, A.R.S. § 49-762.03(A)(2).	32	124	Yes	A.A.C. R18-8-307 and R18-8-1601 through R18-8-1614, R18-13-1601 through R18-13-1614 Fee: <u>R18-13-701 through R18-13-703</u> , Department application form, site inspection, and initial fee required.
4. New special waste facility plan approval with no public hearing, A.R.S. §§ 49-762.03(A)(1), 49-857, and 49-857.01 .	32	62	Yes	A.A.C. R18-8-307 and R18-8-1601 through R18-8-1614, R18-13-1601 through R18-13-1614 , Fee: <u>R18-13-701 through R18-13-703</u> , Department application form, site inspection, and initial fee required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

5. New special waste facility plan approval with a public hearing, A.R.S. §§ 49-762.03(A)(1)-, 49-857, and 49-857.01.	32	124	Yes	A.A.C. R18-8-307 and R18-8-1601 through R18-8-1614, R18-13-1601 through R18-13-1614, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
6. New special waste facility operation temporary authorization, A.R.S. § 49-762.03(C).	21	41	No	A.R.S. § 49-762.03(C), Site inspection required.
Group III: Special waste facility amendment licenses:				
7. 6. Special waste facility plan type III substantial change, A.R.S. §§ 49-762.06(B)-, 49-857, and 49-857.01.	21	41	Yes	A.A.C. R18-8-307 and R18-8-1601 through R18-8-1614, R18-13-1601 through R18-13-1614, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
8. Special waste facility plan type IV substantial change with no public hearing, A.R.S. § 49-762.06(B).	21	41	Yes	A.A.C. R18-8-307 and R18-8-1601 through R18-8-1614, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
9. 7. Special waste facility plan type IV substantial change with a public hearing, A.R.S. §§ 49-762.06(B)-, 49-857, and 49-857.01.	21	62	Yes	A.A.C. R18-8-307 and R18-8-1601 through R18-8-1614, R18-13-1601 through R18-13-1614, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
Group IV: Special waste discharging facility individual discharging aquifer protection (AP) licenses:				
10. Standard special waste discharging facility- AP new permit with no public hearing, A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	186	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
11. Standard special waste discharging facility- AP 35 new permit with a public hearing, A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	232	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
12. Complex special waste discharging facility- AP new permit with no public hearing, A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	249	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
13. Complex special waste discharging facility- AP new permit with a public hearing, A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	295	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
14. Standard special waste discharging facility- AP major modification permit with no public hearing, A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	186	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
15. Standard special waste discharging facility- AP major modification permit with a public hearing, A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	232	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

16. Complex special waste discharging facility- AP major modification permit with no public- hearing; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	249	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
17. Complex special waste discharging facility- AP major modification permit with a public- hearing; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	295	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
18. Standard special waste discharging facility- AP other modification permit; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	186	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
19. Complex special waste discharging facility AP other modification permit; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	35	249	Yes	A.A.C. R18-9-107 through R18-9-109, Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
20. Special waste discharging facility AP- permit transfer approval; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	21	32	Yes	A.A.C. R18-9-121(E); Fee: R18-14-101 through R18-14-108, Department application form and initial fee required.
21. Special waste discharging facility AP- closure plan approval; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	21	41	Yes	A.A.C. R18-9-116; Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
22. Standard special waste discharging facility AP post-closure plan approval; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	21	41	Yes	A.A.C. R18-9-116; Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
23. Complex special waste discharging facility AP post-closure plan approval; A.R.S. §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130.	21	125	Yes	A.A.C. R18-9-116; Fee: R18-14-101 through R18-14-108, Department application form, site inspection, and initial fee required.
24. Special waste VEMUR approval; A.R.S. § 49-152(B); A.A.C. R18-7-207.	15	47	No	A.A.C. R18-7-207; Department application form and initial fee required.
25. Special waste VEMUR cancellation- approval; A.R.S. § 49-152(C); A.A.C. R18-7-207.	15	27	No	A.A.C. R18-7-207; Department application form and initial fee required.

Notices of Proposed Rulemaking

Table 14. Landfill Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Solid <u>Municipal solid waste</u> landfill facility plan licenses:				
1. Existing solid waste facility plan approval (landfill), A.R.S. §§ 49-761(B) and 49-762.07(E), 49-762.03, and 49-762.04.	32	124	Yes	40 C.F.R. CFR § 257, 40 C.F.R. CFR § 258, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
2. New solid waste facility plan approval with no public hearing (landfill), A.R.S. §§ 49-761(B) and 49-762.07(E), 49-762.03, and 49-762.04.	32	62	Yes	40 C.F.R. CFR § 257, 40 C.F.R. CFR § 258, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
3. New solid waste facility plan approval with a public hearing (<u>municipal solid waste landfill</u>), A.R.S. §§ 49-761(B) and 49-762.07(E), 49-762.03, and 49-762.04.	32	124	Yes	40 C.F.R. CFR § 257, 40 C.F.R. CFR § 258, Fee: R18-13-701 through R18-13-703, Department application form, site inspection, and initial fee required.
4. New <u>municipal solid waste</u> landfill operation temporary authorization, A.R.S. § 49-762.03(C).	21	41	No	A.R.S. § 49-762.03(C).
Group II: Solid <u>Municipal solid waste</u> landfill facility amendment licenses:				
5. Solid waste facility plan type III substantial change (<u>municipal solid waste landfill</u>) <u>with no public hearing</u> , A.R.S. § 49-762.06(B).	21	41	Yes	40 C.F.R. § 257, 40 C.F.R. CFR § 258, Fee: R18-13-701 through R18-13-703, Department application, site inspection, form required.
6. <u>6. Solid waste facility plan type III substantial change (<u>municipal solid waste landfill</u>) with a public hearing.</u> A.R.S. § 49-762.06(B).	21 21	62 62	Yes Yes	40 CFR § 258, Fee: R18-13-701 through R18-13-703, Department application, site inspection, form required.
6-7. Solid waste facility plan type IV substantial change (<u>municipal solid waste landfill</u>) with no public hearing, A.R.S. § 49-762.06(B).	21	41	Yes	40 C.F.R. § 257, 40 C.F.R. CFR § 258, Fee: R18-13-701 through R18-13-703, Department application, site inspection, form required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

7-8. Solid waste facility plan type IV substantial change (<u>municipal solid waste landfill</u>) with a public hearing, A.R.S. § 49-762.06(B).	21	62	Yes	40 C.F.R. § 257, 40 C.F.R. CFR § 258, Fee: R18-13-701 through R18-13-703, Department application, site inspection, form required.
Group III: Landfill <u>Non-municipal solid waste landfill</u> facility individual discharging aquifer protection (AP) licenses:				
8-9. Standard <u>non-municipal solid waste</u> landfill discharging facility AP new permit with no public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	186	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
9-10. Standard <u>non-municipal solid waste</u> landfill discharging facility AP new permit with a public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	232	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
10-11. Complex <u>non-municipal solid waste</u> landfill discharging facility AP new permit with no public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	249	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
11-12. Complex <u>non-municipal solid waste</u> landfill discharging facility AP new permit with a public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	295	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 , <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
12-13. Standard <u>non-municipal solid waste</u> landfill discharging facility AP major modification permit <u>significant amendment</u> with no public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	186	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 , <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
13-14. Standard <u>non-municipal solid waste</u> landfill discharging facility AP major modification permit <u>significant amendment</u> with a public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	232	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 , <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

14-15. Complex <u>non-municipal solid waste</u> landfill discharging facility AP major modification permit <u>significant amendment</u> with no public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	249	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
15-16. Complex <u>non-municipal solid waste</u> landfill discharging facility AP major modification permit <u>significant amendment</u> with a public hearing, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	295	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
16-17. Standard <u>non-municipal solid waste</u> landfill discharging facility AP other modification permit <u>other amendment</u> , A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	186	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
17-18. Complex <u>non-municipal solid waste</u> landfill discharging facility AP other modification permit <u>other amendment</u> , A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	35	249	Yes	A.A.C. R18-9-107 <u>R18-9-A201</u> through R18-9-109 , <u>R18-9-A213</u> , Fee: R18-14-101 through R18-14-108 , <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
18-19. Landfill <u>Non-municipal solid waste landfill</u> discharging facility AP permit transfer approval, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	21	32	Yes	A.A.C. R18-9-121(E), Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
19-20. Landfill <u>Non-municipal solid waste landfill</u> discharging facility AP closure plan approval, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	21	41	Yes	A.A.C. R18-9-116, Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form, site inspection, and initial fee required.
20-21. Standard <u>non-municipal solid waste</u> landfill discharging facility AP post-closure plan approval, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	21	41		A.A.C. R18-9-116, Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form required.
21-22. Complex <u>non-municipal solid waste</u> landfill discharging facility AP post-closure plan approval, A.R.S §§ 49-241 through 49-251, A.A.C. R18-9-101 through R18-9-130 <u>R18-9-A213</u> .	21	125	Yes	A.A.C. R18-9-116, Fee: R18-14-101 through R18-14-108 <u>R18-14-107</u> , Department application form required.

Arizona Administrative Register / Secretary of State
Notices of Proposed Rulemaking

**Table 15. ~~Reserved~~ Biohazardous Medical Waste Licenses
 Subject to A.R.S. § 41-1073(A) Licensing Time-Frame Requirements**

ACRTF means Administrative Completeness Review Time-frame.
SRTF means Substantive Review Time-frame.
Day means business day.

<u>License Category</u>	<u>ACR TF Days</u>	<u>SR TF Days</u>	<u>Subject to Sanctions</u>	<u>Application Components</u>
<u>1. Biohazardous medical waste plan approval of storage, treatment, or disposal facility with no public hearing. A.R.S. § 49-762.04, A.A.C. R18-13-1410(A)</u>	<u>32</u>	<u>62</u>	<u>Yes</u>	<u>A.A.C. R18-13-1410, R18-13-1411, and R18-13-1412.</u> <u>Fee: R18-13-701 through R18-13-703.</u> <u>Initial fee required.</u>
<u>2. Biohazardous medical waste plan approval of storage, treatment, or disposal facility with a public hearing. A.R.S. § 49-762.04, A.A.C. R18-13-1410(A)</u>	<u>32</u>	<u>124</u>	<u>Yes</u>	<u>A.A.C. R18-13-1410, R18-13-1411, and R18-13-1412.</u> <u>Fee: R18-13-701 through R18-13-703.</u> <u>Initial fee required.</u>
<u>3. Biohazardous medical waste transporter registration. A.R.S. § 49-761, A.A.C. R18-13-1409</u>	<u>32</u>	<u>0</u>	<u>No</u>	<u>A.A.C. R18-13-1409.</u> <u>Department application form required.</u>
<u>4. Biohazardous medical waste facility plan amendment type III substantial change. A.R.S. § 49-762.06, A.A.C. R18-13-1413</u>	<u>21</u>	<u>41</u>	<u>Yes</u>	<u>A.A.C. R18-13-1413.</u> <u>Fee: R18-13-701 through R18-13-703.</u> <u>Initial fee required.</u>
<u>5. Biohazardous medical waste facility plan amendment type IV substantial change with no public hearing. A.R.S. § 49-762.06, A.A.C. R18-13-1413</u>	<u>21</u>	<u>41</u>	<u>Yes</u>	<u>A.A.C. R18-13-1413.</u> <u>Fee: R18-13-701 through R18-13-703.</u> <u>Initial fee required.</u>
<u>6. Biohazardous medical waste facility plan amendment type IV substantial change with a public hearing. A.R.S. § 49-762.06, A.A.C. R18-13-1413</u>	<u>21</u>	<u>62</u>	<u>Yes</u>	<u>A.A.C. R18-13-1413.</u> <u>Fee: R18-13-701 through R18-13-703.</u> <u>Initial fee required.</u>
<u>7. Biohazardous medical waste plan alternative treatment registration and approval. A.R.S. § 49-761, A.A.C. R18-13-1414</u>	<u>32</u>	<u>62</u>	<u>No</u>	<u>A.A.C. R18-13-1414.</u> <u>Department application form required.</u>

Notices of Proposed Rulemaking

Table 16. Waste Tire, Lead Acid Battery, and Used Oil Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Waste tire licenses:				
1. Waste tire collection site registration, A.R.S. § 44-1303.	11	21	No	A.A.C. R18-8-302(A) , <u>A.R.S. § 44-1303</u> , Department application form required.
2. Mining off-road waste tire collection facility license, A.R.S. § 44-1304, A.A.C. R18-8-511, R18-8-706 , <u>R18-13-1206</u> .	32	62	No	A.R.S. § 44-1304.
Group II: Lead acid battery licenses:				
3. Lead battery collection or recycling facility authorization, A.R.S. § 44-1322(C).	32	62	No	A.R.S. § 49-857.01(A) , <u>44-1322(C)</u> , Department application form required.
Group III: Used oil licenses:				
4. Used oil collection center registration number, A.R.S. § 49-802(C)(1).	11	21	No	A.R.S. § 49-802(C)(1).

Table 17. Hazardous Waste Licenses

Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Resource Conservation and Recovery Act (RCRA) new and renewal licenses:				
1. Hazardous waste container or tank permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	251	Yes	40 C.F.R. CFR §§ 270.10-270.16, and 270.27, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

2. Hazardous waste container or tank permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	293	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.16, and 270.27, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
3. Hazardous waste surface impoundment permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, 270.17, and 270.27, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
4. Hazardous waste surface impoundment permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	418	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, 270.17, and 270.27, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
5. Hazardous waste pile permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.18, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
6. Hazardous waste pile permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	418	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.18, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
7. Hazardous waste incinerator or burning boiler and industrial furnace (BIF) permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	502	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, 270.19, 270.22, 270.62, and 270.66, Fee: A.A.C. R18-8-270(G), EPA 8700-23, Department application form, site inspection, and initial fee required.
8. Hazardous waste incinerator or burning boiler and industrial furnace (BIF) permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	544	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, 270.19, 270.22, 270.62, and 270.66, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
9. Hazardous waste land treatment permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.20, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
10. Hazardous waste land treatment permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	418	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.20, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
11. Hazardous waste landfill facility permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	502	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.21, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
12. Hazardous waste landfill facility permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	544	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.21, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
13. Hazardous waste miscellaneous unit permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.23, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
14. Hazardous waste miscellaneous unit permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	418	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, and 270.23, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

15. Hazardous waste drip pad permit with no public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, 270.26, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
16. Hazardous waste drip pad permit with a public hearing, A.R.S. § 49-922, A.A.C. R18-8-270.	84	418	Yes	40 C.F.R. <u>CFR</u> §§ 270.10-270.14, 270.26, EPA 8700-23, Department application form, site inspection, and initial fee required.
17. Hazardous waste emergency permit, A.R.S. § 49-922, A.A.C. R18-8-270.	10	84	Yes	40 C.F.R. <u>CFR</u> § 270.61, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form and site inspection required.
18. Hazardous waste land treatment demonstration using field test or laboratory analysis permit, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> § 270.63, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
19. Hazardous waste research, development, and demonstration permit, A.R.S. § 49-922, A.A.C. R18-8-270(Q).	84	376	Yes	40 C.F.R. <u>CFR</u> § 270.65, EPA 8700-23, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
20. Hazardous waste temporary authorization request approval, A.R.S. § 49-922, A.A.C. R18-8-270.	84	84	No	40 C.F.R. <u>CFR</u> § 270.42(e), EPA 8700-23, Department application form and site inspection required.

Group II: Resource Conservation and Recovery Act (RCRA) modification licenses:

21. Hazardous waste permit transfer approval, A.R.S. § 49-922, A.A.C. R18-8-270.	84	125	Yes	40 C.F.R. <u>CFR</u> § 270.40, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
22. Hazardous waste Class 1 permit modification, A.R.S. § 49-922, A.A.C. R18-8-270.	84	125	Yes	40 C.F.R. <u>CFR</u> § 270.42(a), Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
23. Hazardous waste Class 2 permit modification, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> § 270.42(b), Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
24. Hazardous waste Class 3 incinerator, BIF, or landfill permit modification, A.R.S. § 49-922, A.A.C. R18-8-270.	84	502	Yes	40 C.F.R. <u>CFR</u> § 270.42(c), Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
25. Hazardous waste Class 3 other permit modification, A.R.S. § 49-922, A.A.C. R18-8-270.	84	376	Yes	40 C.F.R. <u>CFR</u> § 270.42(c), Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.
26. Hazardous waste permit modification classification request, A.R.S. § 49-922, A.A.C. R18-8-270.	84	125	Yes	40 C.F.R. <u>CFR</u> § 270.42(d), Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required.

Group III: Hazardous waste closure plan licenses:

Notices of Proposed Rulemaking

27. Hazardous waste interim status facility partial closure plan approval, A.R.S. § 49-922.	84	95	Yes	40 C.F.R. <u>CFR</u> §§ 264 Subpart G and 265 Subpart G, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required
28. Hazardous waste interim status facility final closure plan approval, A.R.S. § 49-922.	84	95	Yes	40 C.F.R. <u>CFR</u> §§ 264 Subpart G and 265 Subpart G, Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required
29. Hazardous waste post-closure permit with no public hearing, A.R.S. § 49-922.	84	376	Yes	40 C.F.R. <u>CFR</u> § 270.1(c), <u>40 CFR § 270.28</u> Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required
30. Hazardous waste post-closure permit with a public hearing, A.R.S. § 49-922.	84	418	Yes	40 C.F.R. <u>CFR</u> § 270.1(c), <u>40 CFR § 270.28</u> Fee: A.A.C. R18-8-270(G), Department application form, site inspection, and initial fee required
<u>31. Hazardous waste remedial action plan approval, A.R.S. § 49-922.</u>	<u>84</u>	<u>251</u>	<u>Yes</u>	<u>40 CFR § 270.68, 40 CFR § 270, Subpart H,</u> <u>Fee: A.A.C. R18-8-270(G),</u> <u>Department application form, site inspection, and initial fee required.</u>

~~Group IV: Hazardous waste voluntary environmental mitigation use restriction (VEMUR) licenses:~~

31. Hazardous waste VEMUR approval, A.R.S. § 49-152(B), A.A.C. R18-7-207.	15	47	No	A.A.C. R18-7-207.
32. Hazardous waste VEMUR cancellation approval, A.R.S. § 49-152(C), A.A.C. R18-7-207.	15	27	No	A.A.C. R18-7-207.

Table 18. Underground Storage Tank Licenses
Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements

ACRTF means Administrative Completeness Review Time-frame.
SRTF means Substantive Review Time-frame.
Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Underground Storage Tank (UST) technical requirement license.				
1. UST temporary closure extension request approval, A.R.S. § 49-1008, A.A.C. R18-12-270.	42	84	No	A.A.C. R18-12-270(F)-(G), Department application form required.
Group II: Underground Storage Tank (UST) service provider licenses.				
2. UST installation and retrofit service provider certification, A.R.S. § 49-1082, A.A.C. R18-12-803(1).	11	11	No	A.A.C. R18-12-806, Department application form required.
3. UST tightness testing service provider certification, A.R.S. § 49-1082, A.A.C. R18-12-803(2).	11	11	No	A.A.C. R18-12-806, Department application form required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

4. UST cathodic protection testing service provider certification, A.R.S. § 49-1082, A.A.C. R18-12-803(3).	11	11	No	A.A.C. R18-12-806, Department application form required.
5. UST decommissioning service provider certification, A.R.S. § 49-1082, A.A.C. R18-12-803(4).	11	11	No	A.A.C. R18-12-806, Department application form required.
6. UST interior lining service provider certification, A.R.S. § 49-1082, A.A.C. R18-12-803(5).	11	11	No	A.A.C. R18-12-806, Department application form required.
Group III: Leaking Underground Storage Tank (LUST) licenses:				
7. LUST VEMUR approval, A.R.S. § 49-152(B), A.A.C. R18-7-207.	45	47	No	A.A.C. R18-7-207.
8. LUST VEMUR cancellation approval, A.R.S. § 49-152(C), A.A.C. R18-7-207.	45	27	No	A.A.C. R18-7-207.
Group IV: State assurance fund (SAF) licenses:				
9. SAF firm pre-qualification approval, A.R.S. § 49-1052(D), A.A.C. R18-12-602.	44	42	No	A.A.C. R18-12-602, Department application form required.

Table 19. WQARF Remediation Licenses Issued by the Phoenix Office Repealed

Subject to A.R.S. § 41-1073(A) Licensing Time frame Requirements

ACRFF means Administrative Completeness Review Time frame.

SRFF means Substantive Review Time frame.

Day means business day.

License Category	ACRFF Days	SRFF Days	Subject to Sanctions	Application Components
1. WQARF preliminary investigation work plan approval, A.R.S. §§ 49-282.06 and 49-287.01.	21	63	No	A.R.S. §§ 49-151, 49-152, 49-282.06, and 49-287.01, A.A.C. R18-7-201 through R18-7-209, Site inspection required.
2. WQARF remedial investigation work plan approval, A.R.S. §§ 49-282.06 and 49-287.03.	21	63	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.03, A.A.C. R18-7-201 through R18-7-209, Site inspection required.
3. WQARF feasibility study work plan approval, A.R.S. §§ 49-282.06 and 49-287.03.	21	63	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.03, A.A.C. R18-7-201 through R18-7-209, Site inspection required.
4. WQARF standard remedial action plan (RAP) approval, A.R.S. §§ 49-282.06 and 49-287.04.	21	105	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.04, A.A.C. R18-7-201 through R18-7-209, Site inspection required.
5. WQARF complex remedial action plan (RAP) approval, A.R.S. §§ 49-282.06 and 49-287.04.	21	146	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.04, A.A.C. R18-7-201 through R18-7-209, Site inspection required.
6. WQARF determination of no further action (DNFA) approval, A.R.S. § 49-287.01(F).	42	84	No	A.R.S. §§ 49-287.01(F) and 49-287.01(G), Site inspection required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

7. WQARF site rescoring approval; A.R.S. § 49-287.01(F).	21	42	No	A.R.S. § 49-287.01(F); Site inspection required.
8. WQARF qualified business settlement approval; A.R.S. § 49-292.01(A).	21	42	No	A.R.S. § 49-292.01(B); Department application form required.
9. WQARF financial hardship settlement approval; A.R.S. § 49-292.02(A).	21	42	No	A.R.S. § 49-292.02(B).
10. WQARF VEMUR approval; A.R.S. § 49-152(B); A.A.C. R18-7-207.	15	47	No	A.A.C. R18-2-207; Department application form required.
11. WQARF VEMUR cancellation approval; A.R.S. § 49-152(C); A.A.C. R18-7-207.	15	27	No	A.A.C. R18-2-207; Department application form required.

**Table 19-S. WQARF Remediation Licenses Issued by the Southern Regional Office Repealed
Subject to A.R.S. § 41-1073(A) Licensing Time frame Requirements**

ACRFF means Administrative Completeness Review Time frame.
SRFF means Substantive Review Time frame.
Day means business day.

License Category	ACRFF Days	SRFF Days	Subject to Sanctions	Application Components
1. WQARF preliminary investigation work plan approval; A.R.S. §§ 49-282.06 and 49-287.01.		63	No	A.R.S. §§ 49-151, 49-152, 49-282.06, and 49-287.01; A.A.C. R18-7-201 through R18-7-209; Site inspection required.
2. WQARF remedial investigation work plan approval; A.R.S. §§ 49-282.06 and 49-287.03.	21	63	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.03; A.A.C. R18-7-201 through R18-7-209; Site inspection required.
3. WQARF feasibility study work plan approval; A.R.S. §§ 49-282.06 and 49-287.03.	21	63	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.03; A.A.C. R18-7-201 through R18-7-209; Site inspection required.
4. WQARF standard remedial action plan (RAP) approval; A.R.S. §§ 49-282.06 and 49-287.04.	21	105	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.04; A.A.C. R18-7-201 through R18-7-209; Site inspection required.
5. WQARF complex remedial action plan (RAP) approval; A.R.S. §§ 49-282.06 and 49-287.04.	21	146	No	A.R.S. §§ 49-151, 49-152, 49-282.06 and 49-287.04; A.A.C. R18-7-201 through R18-7-209; Site inspection required.
6. WQARF determination of no further action (DNFA) approval; A.R.S. § 49-287.01(F).	42	84	No	A.R.S. §§ 49-287.01(F) and 49-287.01(G); Site inspection required.
7. Reserved.				
8. Reserved.				
9. Reserved.				
10. WQARF VEMUR approval; A.R.S. § 49-152(B); A.A.C. R18-7-207.	15	47	No	A.A.C. R18-2-207; Department application form required.

Notices of Proposed Rulemaking

11. WQARF VEMUR cancellation approval, A.R.S. § 49-152(C), A.A.C. R18-7-207.	15	27	No	A.A.C. R18-2-207, Department application form required.
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**Table 20. Voluntary Program Remediation Licenses
Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements**

ACRTF means Administrative Completeness Review Time-frame.
SRTF means Substantive Review Time-frame.
Day means business day.

License Category	ACRTF Days	SRTF Days	Subject to Sanctions	Application Components
Group I: Voluntary program acceptance license:				
1. Voluntary program eligibility determination, A.R.S. §§ 49-104(A)(17) and 49-282.05.	21	21	No	A.R.S. §§ 49-104(A)(17) and 49-282.05.
Group II: Voluntary program greenfields remediation license:				
2. Voluntary program greenfields notice-to-proceed (NTP) approval, A.R.S. § 49-154(C).	5		No	A.R.S. § 49-154(C), Department application form required.
Group III: Voluntary program brownfields remediation license:				
3. Voluntary program brownfields certification, Governor letter to EPA of August 29, 1997, concerning the “designation of the Arizona Department of Environmental Quality as A State Environmental Agency pursuant to Section 198(c)(1)(C)” of the federal Taxpayer Relief Act of 1997.	21	21	No	Section 198(c)(1)(C) of the Taxpayer Relief Act of 1997, Department application form required.

NOTICE OF PROPOSED RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

**CHAPTER 1. DEPARTMENT OF ENVIRONMENTAL QUALITY
ADMINISTRATION**

[R06-304]

PREAMBLE

- | | |
|--|--------------------------|
| 1. Sections Affected | Rulemaking Action |
| Table 5-N | Repeal |
| Table 5-S | Repeal |
| 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific): | |
| Authorizing statutes: A.R.S. §§ 41-1003, 41-1073, 49-104, 49-203, and 49-425 | |
| Implementing statute: A.R.S. §§ 41-1072 through 1079 | |
| 3. A list of all previous notices appearing in the Register addressing the proposed rule: | |
| Notice of Rulemaking Docket Opening: 10 A.A.R. 2264, June 4, 2004 | |

Notices of Proposed Rulemaking

Notice of Rulemaking Docket Opening: 11 A.A.R. 2393, June 24, 2005

Notice of Rulemaking Docket Opening: 12 A.A.R. 2577, July 21, 2006

Notice of Rulemaking Docket Opening: 12 A.A.R. 2972, August 18, 2006

Notice of Proposed Rulemaking: 12 A.A.R. 2466, July 14, 2006

Notice of Proposed Rulemaking: 12 A.A.R. 2890, August 18, 2006

Notice of Termination of Rulemaking: 12 A.A.R. 2511, July 14, 2006

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Deborah K. Blacik

Address: Arizona Department of Environmental Quality
1110 W. Washington St., Mailcode 6415A-1
Phoenix, AZ 85007

Telephone: (602) 771-2223 (toll free in Arizona: (800) 234-5677, ask for ext. 771-2223)

Fax: (602) 771-2251

E-mail: blacik.deborah@azdeq.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

A. Introduction

In this rulemaking the Department proposes to repeal two license tables that are redundant and unnecessary.

B. Background Summary

A.R.S. §§ 41-1072 through 41-1079 (Title 41, Chapter 6, Article 7.1, Arizona Revised Statutes) of the Administrative Procedure Act (APA) require all state agencies to adopt and implement licensing time-frames (LTF) for every license they issue. In response to the statutory mandate, ADEQ made a LTF rule (LTF1) which became effective on August 13, 1999.

C. Table Changes

Safe drinking water construction licenses issued by the northern regional office and safe drinking water construction licenses issued by the southern regional office: Tables 5-N and 5-S licenses are proposed for repeal because they are redundant of the licenses listed in Table 5. The redundancy was considered necessary for tracking purposes among the offices when LTF1 was initially adopted; however, the Department's actual experience with the rule indicates that separate tables are not necessary.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Not applicable

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

Rule Identification

This rulemaking amends Title 18, "Environmental Quality," Chapter 1, "Department of Environmental Quality - Administration," Article 5, "Licensing Time-Frames."

Article 7.1 of the Administrative Procedures Act (APA) requires state agencies to adopt licensing time-frames for issuing licenses. This rulemaking amends the Department's licensing time-frames (LTF) rule that became effective August 13, 1999. This rulemaking repeals redundant and unnecessary tables.

Cost Benefit Analysis

As a result of these changes, it is not necessary for the Department to prepare a detailed economic impact assessment. This rulemaking does not impose any compliance burdens on ADEQ, the general public or the regulated community.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Deborah K. Blacik

Address: Arizona Department of Environmental Quality
1110 W. Washington St., Mailcode: 6415A-1
Phoenix, AZ 85007

Notices of Proposed Rulemaking

Telephone: (602) 771-2223 (toll free in Arizona: (800) 234-5677, ask for ext. 771-2223)

Fax: (602) 771-2251

E-mail: blacik.deborah@azdeq.gov

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

An oral proceeding regarding the proposed rulemaking will be held as follows:

Date: Friday, September 29, 2006

Time: 1:00 p.m.

Location: 1110 W. Washington, Room 250
Phoenix, AZ 85007

The purpose of the oral proceeding is to provide an opportunity for formal comments on the record regarding the proposed rulemaking. ADEQ is committed to complying with the Americans With Disabilities Act. If an individual with a disability needs any type of accommodation, please contact ADEQ at least 72 hours before the hearing at (602) 771-4795. The rulemaking record will close at 5:00 p.m. on September 29, 2006. Anyone wishing to provide written comments regarding the rulemaking may submit their comments to ADEQ between 8:00 a.m. and 5:00 p.m., Monday through Friday, up until 5:00 p.m., September 29, 2006, to the person listed in item #4.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY

**CHAPTER 1. DEPARTMENT OF ENVIRONMENTAL QUALITY
ADMINISTRATION**

ARTICLE 5. LICENSING TIME-FRAMES

Section

Table 5-N. ~~Safe Drinking Water Construction Licenses Issued by the Northern Regional Office~~ Repealed

Table 5-S. ~~Safe Drinking Water Construction Licenses Issued by the Southern Regional Office~~ Repealed

~~Table 5-N. Safe Drinking Water Construction Licenses Issued by the Northern Regional Office~~ Repealed

~~Subject to A.R.S. § 41-1073(A) Licensing Time-frame Requirements~~

ACRTF means Administrative Completeness Review Time frame.

SRTF means Substantive Review Time-frame.

Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
Group I: Drinking water approval to construct (ATC) licenses:				
1. Standard drinking water treatment facility, project, or well approval to construct, A.R.S. § 49-353, A.A.C. R18-4-505.	11	32	No	A.A.C. R18-4-505, Department application form and site inspection required.

Arizona Administrative Register / Secretary of State

Notices of Proposed Rulemaking

2. Complex drinking water treatment facility, project, or well approval to construct, A.R.S. § 49-353, A.A.C. R18-4-505.	11	62	No	A.A.C. R18-4-505, Department application form and site inspection required.
3. Standard public and semi-public swimming pool design approval, A.R.S. § 49-104(B)(12).	21	21	No	A.A.C. R18-5-203, Department application form and site inspection required.
4. Complex public and semi-public swimming pool design approval, A.R.S. § 49-104(B)(12).	21	62	No	A.A.C. R18-5-203, Department application form and site inspection required.
Group II: Drinking water approval of construction (AOC) licenses:				
5. Standard drinking water treatment facility, project, or well approval of construction, A.R.S. § 49-353, A.A.C. R18-4-507.	11	32	No	A.A.C. R18-4-507, Department application form and site inspection required.
6. Complex drinking water treatment facility, project, or well approval of construction, A.R.S. § 49-353, A.A.C. R18-4-507.	11	62	No	A.A.C. R18-4-507, Department application form and site inspection required.
7. Standard public and semi-public swimming pool approval of construction, A.R.S. § 49-104(B)(12).	21	21	No	A.A.C. R18-5-204, Department application form and site inspection required.
8. Complex public and semi-public swimming pool approval of construction, A.R.S. § 49-104(B)(12).	21	62	No	A.A.C. R18-5-204, Department application form and site inspection required.
Group III: Other licenses:				
9. Standard drinking water new source approval, A.R.S. § 49-353, R-18-4-505.	11	32	No	A.A.C. R18-4-505, Department application form and site inspection required.
10. Complex drinking water new source approval, A.R.S. § 49-353, R-18-4-505.	11	62	No	A.A.C. R18-4-505, Department application form and site inspection required.
11. Drinking water time extension approval, A.R.S. § 49-353, A.A.C. R18-4-505.	11	11	No	A.A.C. R18-4-505, Department application form required.

Notices of Proposed Rulemaking

Table 5-S. ~~Safe Drinking Water Construction Licenses Issued by the Southern Regional Office~~ Repealed

Subject to ~~A.R.S. § 41-1073(A) Licensing Time-frame Requirements~~

ACR/TF means Administrative Completeness Review Time-frame.

SR/TF means Substantive Review Time-frame.

Day means business day.

License Category	ACR TF Days	SR TF Days	Subject to Sanctions	Application Components
Group I: Drinking water approval to construct (ATC) licenses:				
1. Standard drinking water treatment facility, project, or well approval to construct, A.R.S. § 49-353, A.A.C. R18-4-505.	11	32	No	A.A.C. R18-4-505, Department application form and site inspection required.
2. Complex drinking water treatment facility, project, or well approval to construct, A.R.S. § 49-353, A.A.C. R18-4-505.	11	62	No	A.A.C. R18-4-505, Department application form and site inspection required.
3. Standard public and semi-public swimming pool design approval, A.R.S. § 49-104(B)(12).	21	21	No	A.A.C. R18-5-203, Department application form and site inspection required.
4. Complex public and semi-public swimming pool design approval, A.R.S. § 49-104(B)(12).	21	62	No	A.A.C. R18-5-203, Department application form and site inspection required.
Group II: Drinking water approval of construction (AOC) licenses:				
5. Standard drinking water treatment facility, project, or well approval of construction, A.R.S. § 49-353, A.A.C. R18-4-507.	11	32	No	A.A.C. R18-4-507, Department application form and site inspection required.
6. Complex drinking water treatment facility, project, or well approval of construction, A.R.S. § 49-353, A.A.C. R18-4-507.	11	62	No	A.A.C. R18-4-507, Department application form and site inspection required.
7. Standard public and semi-public swimming pool approval of construction, A.R.S. § 49-104(B)(12).	21	21	No	A.A.C. R18-5-204, Department application form and site inspection required.
8. Complex public and semi-public swimming pool approval of construction, A.R.S. § 49-104(B)(12).	21	62	No	A.A.C. R18-5-204, Department application form and site inspection required.
Group III: Other licenses:				
9. Standard drinking water new source approval, A.R.S. § 49-353, R-18-4-505.	11	32	No	A.A.C. R18-4-505, Department application form and site inspection required.

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Margaret McClelland
Address: Arizona Department of Insurance
2910 N. 44th St., Suite 210
Phoenix, AZ 85018
Telephone: (602) 364-3471
Fax: (602) 364-3470
E-mail: MMcClelland@id.state.az.us

5. An explanation of the rule, including the agency's reasons for initiating the rule:

This rulemaking repeals obsolete rules, improves clarity, conciseness, and understandability of all rules that are not being repealed and makes the rule consistent with statutory changes and model regulations of the North American Insurance Commissioners. New definitions are added to R20-6-201 to define terms used in this Article. Current Sections are revised and new Sections are added to clarify requirements regarding advertisement, requiring insurers to provide an English translation of documents filed in a foreign language. The changes to the advertising rules are due to Laws 2000, Ch. 37, which eliminated the Department's prior review and approval of insurers' advertising materials. The Department proposes a new rule to specify the procedures for filing advertising materials and to facilitate the Department's timely review of filed materials. The new rule requiring translations will permit the Department to conduct required reviews of rules and forms.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The portions of this rulemaking that repeal or amend existing rules will have intangible benefits for the consumers by repealing obsolete provisions that might otherwise be confusing and simplifying the text of the remaining rules.

The new Section, R20-6-203, requiring insurers to provide the Department with English translations of foreign documents may pose some costs on insurers, although the Department believes that the insurers likely have such translations available, they simply have not previously been required to file them. Any cost to insurers is outweighed by the benefit to the insurance buying public by permitting the Department to conduct adequate regulatory review of documents written in a foreign language.

The Department is not aware of small businesses that will be directly impacted by this rulemaking, therefore, the Department does not believe it is necessary to reduce the impact on small businesses.

The Department does not expect economic impacts to the Department or other governmental agencies

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Margaret McClelland
Address: Arizona Department of Insurance
2910 N. 44th St., Suite 210
Phoenix, AZ 85018
Telephone: (602) 364-3471
Fax: (602) 364-3470

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

ADOI will hold an oral proceeding to receive public comments in accordance with A.R.S. § 41-1023 on September 26, 2006, at 10:00 a.m. at the Arizona Department of Insurance, 2910 N. 44th St., Phoenix, AZ, 3rd floor training room. ADOI will accept comments that are received by 5:00 p.m. on September 29, 2006, or that are postmarked by that date. The comment period will end and the record will close at 5:00 p.m. on September 29, 2006.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

Arizona Administrative Register / Secretary of State
Notices of Proposed Rulemaking

12. Incorporations by reference and their location in the rules:

R20-6-212 and R20-6-212.01

13. The full text of the rules follows:

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 6. DEPARTMENT OF INSURANCE

ARTICLE 2. TRANSACTION OF INSURANCE

Section

R20-6-201. Advertisements of ~~Disability~~ Health Insurance
R20-6-201.01. Insurer Advertising Responsibility and Records
R20-6-201.02. Procedures for Filing Advertising Materials: Transmittal Form
R20-6-202. Advertising, Solicitation, and Transaction of Life Insurance
R20-6-203. ~~Repeated~~ Form Filings; Translations
R20-6-204. Surplus Lines Brokers' Filing Requirements; List of Unauthorized Insurers
R20-6-206~~R20-6-205~~. ~~Repeated~~ Local or Regional Retaliatory Tax Information
R20-6-207~~R20-6-206~~. Industrial Insureds
R20-6-209~~R20-6-207~~. ~~Unfair Sex~~ Gender Discrimination
R20-6-210~~R20-6-208~~. ~~Expired~~ Group Coverage Discontinuance and Replacement
R20-6-211~~R20-6-209~~. Life Insurance Solicitation
R20-6-212~~R20-6-210~~. Readable and Understandable Policy: Private Passenger Automobile, Homeowner, Personal Line Dwelling, and Mobile Homeowner
R20-6-213~~R20-6-211~~. ~~Unfair~~ Discrimination on the Basis of Blindness, Partial Blindness
R20-6-215-~~R20-6-212~~. Forms for Replacement of Life Insurance Policies and Annuities
R20-6-215.01~~R20-6-212.01~~. Forms for Buyer's Guide for Annuities
R20-6-216~~R20-6-213~~. Life and Disability Insurance Policy Language Simplification
R20-6-217~~R20-6-214~~. ~~Expired~~ Coordination of Benefits

ARTICLE 2. TRANSACTION OF INSURANCE

R20-6-201. Advertisements of ~~Disability~~ Health Insurance

A. Definitions. The following definitions apply to this Section and to R20-6-201.01, R20-6-201.02, and R20-6-203:

1- ~~"An advertisement" for the purpose of these rules shall include:~~

1. "Advertisement" means materials and information used by an insurer to generate insurance business.

a. Advertisement includes the following information:

ai. Printed and published material, audio visual material, or other forms of electronic communication that ~~and~~ descriptive literature of an insurer ~~used~~ uses or displays in direct mail, newspapers, magazines, radio, ~~and~~ TV scripts, television, billboards, internet web sites, and similar ~~displays~~ media to inform the public about the insurer or its products; ~~and~~

bii. Descriptive literature and sales aids ~~of all kinds issued by an insurer issues, or releases~~ for presentation to members of the public, including ~~but not limited to~~ circulars, leaflets, booklets, depictions, illustrations, and form letters; ~~and~~

eiii. Prepared sales talks; ~~and~~ presentations and material for use by an insurer or prepared by an insurer for use by authorized agents and brokers producers; ~~and, and~~ representations made by agents and brokers in accordance therewith.

iv. Material included with a policy when the policy is delivered and material used in the solicitation of renewals and reinstatements;

b. "Advertisement" does not include the following:

i. Material used solely for training and educating an insurer's employees or producers;

ii. Material used in-house by insurers;

iii. Communications within an insurer's own organization not intended for dissemination to the public;

iv. Individual communications of a personal nature with current policy holders other than material urging the policyholders to increase or expand coverages;

v. Correspondence between a prospective group or blanket policyholder and an insurer in the course of negotiating a group or blanket contract;

- vi. Court-approved material ordered by a court to be disseminated to policyholders;
 - vii. Material in which only the name of the insurer is displayed, in connection with promotion or sponsorship of a charitable event; or
 - viii. A general announcement from a group or blanket policyholder to eligible individuals on an employment or membership list that a contract or program has been written or arranged. The announcement shall clearly indicate that it is preliminary to the issuance of a booklet, and that the announcement does not describe the specific benefits under the contract or program, nor the advantages as to the purchase of the contract or program. A general announcement does not prohibit a general endorsement of the program by the sponsor.
 - ix. Health and wellness material with general health and wellness information.
2. "Disability insurance" has the same meaning prescribed in A.R.S. § 20-253.
 3. "Elimination period" means the time between the date a loss occurs and the date that benefits begin to accrue for that loss.
 4. "Exclusion" means a policy term stating a risk that an insurer has not assumed.
 5. "Health insurance" means:
 - a. Disability insurance;
 - b. Insurance provided by a service corporation regulated under A.R.S. § 20-821 et seq.;
 - c. Insurance provided by a prepaid dental plan organization regulated under A.R.S. § 20-1001 et seq.; and
 - d. Insurance provided by a health care services organization regulated under A.R.S. § 20-1051 et seq.
 6. "Insurance administrator" or "administrator" has the meaning prescribed in A.R.S. § 20-485(A)(1).
 7. "Insurer" has the same meaning prescribed in A.R.S. § 20-104.
 8. "Limitation" means a policy term, other than an exclusion or reduction, that decreases the risk assumed by the insurer or the insurer's obligation to provide benefits.
 9. "Person" has the meaning in A.R.S. § 20-105.
 - 2-10. "Policy" for the purpose of these rules shall include means any policy, plan, certificate, contract, agreement, statement of coverage, evidence of coverage, subscription contract, membership coverage, rider, or endorsement which that provides disability benefits, health insurance, or medical, surgical or hospital expense benefits, long-term care benefits, or Medicare supplement benefits whether on in the form of a cash indemnity, reimbursement, or service basis, except when other than life, and except disability and double indemnity benefits included in life insurance and annuity contracts.
 11. "Reduction" means a policy term that reduces the amount of an insured's benefits. A reduction means that the insurer has assumed the risk of a particular loss, but the amount or period of the insurer's coverage is less than what the insurer would have paid for the loss without the reduction.
 12. "Spokesperson" means a person making a testimonial about or endorsement of an insurer's product who:
 - a. Has a financial interest in the insurer or a related entity as a stockholder, director, officer, employee, or independent contractor;
 - b. Has been formed by the insurer, is owned or controlled by the insurer, its employees, or a person who owns or controls an insurer;
 - c. Is in a policy-making position who is affiliated with the insurer in any capacity described in subsections (a) or (b); or
 - d. Is in any way directly or indirectly compensated for making a testimonial or endorsement, except where the sole financial interest or compensation of a spokesperson, for all testimonials or endorsements made on behalf of the insurer, consists of the payment of union scale wages required by union rules, and if the payment is actually the scale for television or radio performances.
 - 3- "Insurer" for the purpose of these rules shall include any individual, agent, broker, corporation, association, partnership, reciprocal exchange, inter insurer, Lloyd's, fraternal benefit society, and any other legal entity engaged in the advertisement of a policy as herein defined.
- B. Advertisements in general.** Advertisements shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology.
- C. Advertisements of benefits payable, losses covered or premiums payable**
1. Deceptive words, phrases or illustrations -- Words, phrases or illustrations shall not be used in a manner which misleads or has the capacity and tendency to deceive as to the extent of any policy benefit payable, loss covered or premium payable. An advertisement relating to any policy benefit payable, loss covered or premium payable shall be sufficiently complete and clear as to avoid deception or the capacity and tendency to deceive.
 - a. Explanation:
- B. Scope.**
1. This Section applies to all advertisements for health insurance.
 2. This Section applies to the conduct of insurers, producers, and third-party administrators.
- C. General requirements.** Health insurance advertisements shall meet the requirements of this Section.
1. Advertisements shall be truthful and not misleading. The insurer shall not use words or phrases, the meaning of which

Notices of Proposed Rulemaking

- is clear only by implication or by familiarity with insurance terminology.
2. An advertisement shall not omit information or use words, phrases, statements, references, or illustrations if the omission of information or use of words, phrases, statements, references, or illustrations has the capacity to mislead or deceive purchasers or prospective purchasers.
 - i-3. The words and phrases used to describe a policy shall accurately describe the benefits of the policy and shall not exaggerate any benefit beyond the policy terms through the use of phrases such as the “all,” “full,” “complete,” “comprehensive,” “unlimited,” “up to,” “as high as,” “this policy will pay your hospital and surgical bills” or “this policy will replace your income,” or similar words and phrases shall not be used so as to exaggerate any benefit beyond the terms of the policy but may be used only in such manner as fairly to describe such benefit.
 - ii-4. A If a policy covering covers only + one disease or a list of specified diseases, any advertisement for the policy shall not be advertised so as to imply coverage beyond the terms of the policy. Synonymous specified diseases, terms shall not be used to refer to any disease so as to that imply broader coverage than is the fact.
 - iii-5. The benefits of If a policy which pays varying amounts for the same loss occurring under different conditions or which pays benefits only when a loss occurs under certain conditions, any advertisement for the policy shall not be advertised without disclosing disclose the limited conditions under which the benefits referred to are provided by the policy.
 - iv-6. Phrases such as “this policy pays \$1,800 If an advertisement specifies payment of a particular dollar amount for hospital room and board expenses,” the advertisement shall also include are incomplete without indicating the maximum daily benefit and the maximum time limit for hospital room and board those expenses.
 - 2-7. Exceptions, reductions and limitations — When an An advertisement that refers to any dollar amount, period of time for which any a benefit is payable, cost of policy, or specific policy benefit or the loss for which such a benefit is payable, it shall also disclose any related exclusions those exceptions, reductions, and limitations affecting the basic provisions of the policy without which the advertisement would have the capacity and tendency to mislead or deceive.
 - a. Explanation:
 - i- The term “exception” shall mean any provision in a policy whereby coverage for a specified hazard is entirely eliminated; it is a statement of a risk not assumed under the policy.
 - ii. The term “reduction” shall mean any provision which reduces the amount of the benefit; a risk of loss is assumed but payment upon the occurrence of such loss is limited to some amount or period less than would be otherwise payable had such reduction clause not been used.
 - iii- The term “limitation” shall mean any provision which restricts coverage under the policy other than an exception or a reduction.
 - iv. Waiting, elimination, probationary or similar periods — When a policy contains a time period between the effective date of the policy and the effective date of coverage under the policy or a time period between the date a loss occurs and the date benefits begin to accrue for such loss, an An advertisement covered by (C)(2) shall disclose the existence of such any waiting or elimination periods.
 8. An advertisement shall disclose the existence of a waiting period if a policy contains a period between the effective date of the policy and the effective date of coverage under the policy. The advertisement shall disclose the existence of an elimination period if there is a period between the date a loss occurs and the date benefits begin to accrue for loss.
 - 3- Pre-existing conditions
 - a-9. An advertisement covered by (C)(2) shall disclose the extent to which any loss is not covered if the cause of such loss is traceable to a condition existing prior to the effective date of the policy any exclusion, reduction, or limitation applicable to a pre-existing condition; however, an insurer is not required to make disclosure in any advertisement that does not reference any specific product information, benefit level, or dollar amounts.
 - b. 10. When If a policy does not cover losses traceable to has an exclusion, reduction, or limitation applicable to a preexisting conditions condition, no an advertisement of the policy shall not state or imply that the applicant’s physical condition or medical history will not affect the issuance of the policy or payment of a claim, thereunder. This limits the including use of the phrase “no medical examination required” and or other similar phrases of similar import.
 - D-11. Necessity for disclosing policy provisions relating to renewability, cancellability and termination — An If an advertisement which refers to renewability, cancellation, or termination of a policy, or which states or illustrates time or age in connection with eligibility of applicants or continuation of the policy, the advertisement shall disclose the provisions relating to renewability, cancellability cancellation, and termination and any modification of benefits, losses covered, or premiums because of age or for other reasons, in a manner which that shall not minimize or render obscure the qualifying conditions.
 12. An advertisement shall not make any offer prohibited under A.R.S. § 20-452(4).
 13. An advertisement shall not advertise any health insurance policy or form that has not been approved by the Department, unless the policy or form being advertised is exempt from approval or not subject to approval by order or statute.
 14. An advertisement shall not state or imply that a product being offered is an introductory, special, or initial offer that

will entitle the applicant to receive advantages not described in the policy by accepting the offer.

15. An advertisement designed to produce leads either by use of a coupon, a request to write or call the company, or subsequent advertisement before contact, shall disclose that a producer may contact the potential applicant.

E.D. Method of disclosure of required information. — ~~All information~~ If an insurer is required to disclose particular information, that information required to be disclosed by these rules shall be set out conspicuously conspicuous and in close conjunction with proximity to the statements to which such the information relates, or under appropriate a prominent captions caption of such prominence so that it shall the required disclosure is not be minimized, rendered obscure obscured, or presented in an ambiguous fashion, or intermingled with the context content of the advertisement so as to be confusing or misleading.

F.E. Testimonials. —

1. Testimonials used in advertisements must shall be genuine, represent the current opinion of the author, be applicable to the policy advertised, and be accurately reproduced. The insurer shall provide the Department with the full name of the author and a copy of the full testimonial. ~~The~~ If an insurer, in using uses a testimonial, the insurer adopts makes as its own all of the statements contained therein in the testimonial as the insurer's own statements and the advertisement including such statements is subject to all of the provisions of these rules. If a testimonial or endorsement is used more than one year after it is given, the insurer shall obtain a confirmation from the author that the testimonial represents the current opinion of the author.

2. The insurer shall disclose the fact of a financial interest or the proprietary or representative capacity of a spokesperson in an advertisement in the introductory portion of the testimonial or endorsement in the same form and with equal prominence. If a spokesperson is directly or indirectly compensated for making a testimonial or endorsement, the insurer shall disclose that fact in the advertisement by language that states, "Paid Endorsement," or words of similar import in type, style, and size at least equal to that used for the spokesperson's name or the body of the testimonial or endorsement, whichever is larger. In the case of television or radio advertising, the insurer shall place the required disclosure prominently in the introductory portion of the advertisement.

G.F. Use of statistics Statistics. — An advertisement relating to with information on the dollar amounts of claims paid, the number of persons insured, or similar statistical information relating to any insurer or policy shall not use irrelevant facts and shall not be used unless it accurately reflects reflect all of the relevant facts specific to the advertised policy, or insurer. Such an An advertisement shall not state or imply that such statistics are derived from the policy being advertised unless such that is the fact. The insurer shall identify in the advertisement the source of any statistics used.

H.G. Inspection of policy. — An offer in an advertisement of free inspection of a policy or offer of a premium refund is does not a cure for misleading or deceptive statements contained in such the advertisement.

I.H. Identification of plan or number of policies.

1. ~~When~~ If an advertisement offers a choice of in the amount of benefits is referred to, an the advertisement shall disclose that the amount of benefits provided depends upon on the plan policy selected and that the premium will vary with the amount of the benefits.

2. ~~When~~ If an advertisement refers to various benefits which may be contained in 2 or more than one policies policy, other than a group master policies policy, the advertisement shall disclose that such the benefits are provided only through a combination of such if multiple policies are purchased.

J.I. Disparaging comparisons and statements. — An advertisement shall not directly or indirectly make unfair, or incomplete, or unsubstantiated comparisons of other insurers' policies or benefits or otherwise falsely disparage competitors, their other insurers' policies, services, or business methods. A comparison is unsubstantiated if the insurer has no empirical study, analysis, or documentation supporting the comparative statement or comparison of policies or benefits.

K.J. Jurisdictional licensing limits.

1. ~~An~~ If an insurer has an advertisement which is intended that is meant to be seen or heard beyond the limits of the jurisdiction in which the insurer is licensed, the advertisement shall not imply licensing beyond those limits.

2. ~~Such advertisements by direct mail insurers shall~~ indicate that the insurer is licensed in a specified state or states only, or is not licensed in a specified state or states, by use of some language such as "This Company is licensed only in State A" or "This Company is not licensed in State B."

L.K. Identity of insurer. — The identity of the insurer shall be made clear in all of its advertisements. An advertisement shall not use a trade name, service mark, slogan, symbol or other device which has the capacity and tendency to mislead or deceive as to the true identity of the insurer. The insurer shall state the name of the actual insurer in all of its advertisements. An advertisement shall clearly identify the insurer and shall not use a trade name, an insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, service mark, slogan, symbol, or other device which has the capacity and tendency to that may mislead or deceive the public as to the true insurer's identity of the insurer.

M.L. Group or quasi-group implications insurance. An advertisement of a particular policy shall not state or imply that prospective policyholders become group or quasi-group members and as such enjoy special rates or underwriting privileges, unless such is the supported by fact. An advertisement to join an association, trust, or group that is also an invitation to contract for insurance coverage shall disclose that the applicant will be purchasing both membership in the association,

Notices of Proposed Rulemaking

trust, or group and insurance coverage.

- ~~N.~~ Introductory, initial or special offers— An advertisement shall not state or imply that a particular policy or combination of policies is an introductory, initial, or special offer and that the applicant will receive advantages by accepting the offer, unless such is the fact.
- ~~O.~~ Approval or endorsement by third parties
- ~~L.~~ M. Government approval. An advertisement shall not state or imply that any of the following:
 - ~~1.~~ an That a governmental agency or regulator is connected with or has provided or endorsed a policy or endorsed an insurer or a policy;
 - ~~2.~~ That a governmental agency or regulator has examined ~~been approved or~~ an insurer's financial condition has been examined and found to be it satisfactory by a governmental agency, unless such is the fact. This subsection does not apply if an insurer is responding to a specific documented, public, false allegation about its financial condition.
- ~~2.~~ N. Endorsements. An advertisement shall not may state or imply that an insurer or a policy has been approved or endorsed by any an individual, group of individuals, society, association, or other organization has approved or endorsed the insurer or its policy, unless such is the fact if the organization or group has actually done so in writing and if any proprietary relationship between the organization and the insure is disclosed.
- ~~P.~~ O. Service facilities— Claims handling. An advertisement shall not contain ~~untrue~~ false statements with respect to about the time within which claims are paid or statements ~~which~~ that imply that claim settlements will be liberal or generous beyond the terms of the policy.
- ~~Q.~~ P. Statements about an the insurer.— An advertisement shall not contain false or misleading statements ~~which are untrue in fact or by implication misleading with respect to the~~ about an insurer's assets, corporate structure, financial standing, age length of time in business, or relative position in the insurance business.
- ~~R.~~ Special enforcement procedures
 - ~~1.~~ Advertising file— Each insurer shall maintain at its home or principal office a complete file containing every printed, published, recorded, or prepared advertisement of individual policies and typical printed, published, recorded, or prepared advertisements of blanket, franchise, and group policies hereafter disseminated in this or any other state whether or not licensed in such other state, with a notation attached to each such advertisement which shall indicate the manner and extent of distribution and the form number of any policy advertised. Such file shall be subject to regular and periodical inspection by this Department. All such advertisements and shall be maintained in said file for a period of not less than 3 years.
 - ~~2.~~ Certificate of compliance— Each insurer required to file an annual statement, which is now or which hereafter becomes subject to the provisions of this rule, must file with this Department, together with its annual statement, a certificate executed by an authorized officer of the insurer wherein it is stated that, to the best of his knowledge, information and belief, the advertisements which were disseminated by the insurer during the preceding statement year complied, or were made to comply, in all respects with the provisions of the insurance laws of this state as implemented and interpreted by this rule.
 - ~~3.~~ Acknowledgment— It is requested that the chief executive officer of each insurer to which this rule is addressed acknowledge its receipt and indicate its intention to comply therewith.

R20-6-201.01 Insurer Advertising Responsibility and Records

- A.** An insurer shall establish, and at all times maintain, a system of control over the content, form, and method of dissemination of all advertisements of its policies. The insurer whose policies are advertised is responsible for the advertisements, regardless of who writes, creates, designs, or presents the advertisement, except the insurer is not responsible for any advertisement placed by a person to whom the insurer gave no actual or apparent authority. Before using an advertisement about an insurer or its products, a producer shall get written approval from the insurer for use of the advertisements that were not supplied by the insurer.
- B.** An insurer shall maintain, at its home or principal office, the following:
 1. Advertisements disseminated by the insurer in Arizona or any other state, including:
 - a. Each printed, published, recorded, or prepared advertisement of individual policies; and
 - b. Typical printed, published, recorded, or prepared advertisements of blanket, franchise, and group policies.
 2. A notation attached to each advertisement specifying the manner and extent of distribution and the form number of any policy advertised, and
 3. Documentation supporting any testimonials, statistical claims, or comparisons shown in the advertising.
- C.** An insurer shall maintain the advertisements, notations, and supporting documentation for at least three years from the date of first dissemination.

R20-6-201.02. Procedures for Filing Advertising Materials; Transmittal Form

- A.** An insurer that is required to file a health insurance advertisement with the Department as specified in A.R.S. §§ 20-826(T), 20-1018, 20-1057(X), 20-1110(E), and 20-1662 shall file the advertisement with a transmittal form prescribed by the Department.

B. The transmittal form shall include the following information:

1. Identifying information of the insurer, including name, address, National Association of Insurance Commissioners' identification number, and type of insurer;
2. A contact person at the insurer with whom the Department can communicate about the advertisement;
3. Description of the type of advertisement being filed;
4. Planned use and dissemination of the advertisement, including date of first use, or a statement that the advertisement will not be used any earlier than a specified date;
5. Description of product being advertised;
6. Form number and name for the advertised product; and
7. A certification from a officer of the insurer that the advertisement complies with applicable laws; and
8. The dated signature of the insurer's officer.

R20-6-202. Advertising, Solicitation, and Transaction of Life Insurance

A. Authority and purpose — This rule is adopted by the Director of Insurance pursuant to the rulemaking power of A.R.S. § 20-143, subject to the provisions of A.R.S. §§ 41-1001 through 41-1008. It is the purpose of this rule to implement the administration of the Arizona Insurance Code by defining acts and practices which are contrary to or would violate various sections of the Insurance Code, including but not limited to Title 20, Chapter 2, Articles 1, 2, 3 and 6, Chapter 5, Article 1 and Chapter 6, Article.

A. The definitions in R20-6-201(A) and the following definition apply in this Section:

“Life insurance” means a life insurance contract, including all benefits payable under the policy.

B. Applicability

1. This rule shall apply Section and R20-6-201 apply to:
 - a. ~~To any insurance company, agent, person, broker, or solicitor, as those terms are defined in the Insurance Code~~ All persons subject to regulation under A.R.S. Title 20;
 - b. ~~To acts and practices in the advertising~~ Advertising, promotion, solicitation, negotiation, or effecting the and sale of life insurance policies, regardless of the form of dissemination;
 - e. ~~To such acts and practices, whether they involve the use of language disseminated by means of sales kits, policy jackets or covers, letters, personal presentations, visual aids, or other sales media.~~
2. This rule shall ~~does~~ not apply to group insurance, franchise insurance, or to annuities without life contingencies.

C. ~~Policy~~ General provisions.

1. ~~Misleading, through omissions, use of irrelevant material, or improper emphasis~~ The purpose of this rule essentially is to assure the fair disclosure of relevant facts in the sale of life insurance. As used herein, the words “life insurance” shall mean the entire life insurance contract, including all benefits provided therein, and are not intended to be limited to the benefits payable on death. It is also designed to protect purchasers and prospective purchasers of life insurance policies against the use of sales methods which are misleading because of A life insurance advertisement shall not mislead the public by:-
 - a. ~~1. Omission of~~ Omitting information that facts fairly describing describes both the subject matter as a life insurance policy and the benefits ~~obtainable thereunder~~ available under the policy; or
 - b. ~~2. An~~ Placing undue emphasis upon on facts which that, however true, are not relevant to the sale of life insurance; or
 - e. ~~3. An~~ Placing undue emphasis upon on features which are of incidental or secondary importance to the life insurance aspects of the policy.
2. ~~In considering possible the Department of Insurance will consider as relevant to a proposed sale, statements which are intended to:~~
 - a. ~~Motivate the insured to purchase life insurance; or~~
 - b. ~~Provide an explanation of the benefits provided by the life insurance policy; or~~
 - e. ~~Present a picture of the company's ability to conduct a life insurance business.~~
3. ~~Specified acts and practices — To assure such fair disclosure and to prevent the use of misleading sales methods, this rule provides advance interpretations as to the specific acts and practices which the Department of Insurance believes constitute a violation of such statutes; provided, however, it is recognized that whether particular conduct comes within the prohibition of such statutory provisions depends on the facts in each case.~~
4. ~~Acts and practices not specified — Although this rule is intended to cover selected acts and practices which have been of serious concern to the Department of Insurance, this delineation is not a determination that any act of practice not specified herein is in conformance with the statutes. However, this rule will be read as a guide in considering whether any unspecified act or practice is of the kind or character which may be within the prohibitions of the statute and this rule.~~

D. Prohibited acts and practices. The following acts are deemed misleading and deceptive:

1. References to profits and investments — In accordance with the authority, applicability and policy set out in subsections (A) through (C) above, the following is declared to be a violation of this rule: The Using any statement, including use of the word or words phrases such as “investment,” “investment plan,” “founders plan,” “charter plan,”

Arizona Administrative Register / Secretary of State
Notices of Proposed Rulemaking

- expansion plan,” “profit,” “profits,” or “profit sharing,” in a context or under such circumstances or conditions as to have the capacity and tendency to ~~that may~~ mislead a purchaser or prospective purchaser to believe that he will receive the insurer is selling something other than a life insurance policy, or will provide some benefit not ~~provided~~ included in the policy, or some benefit not available to other persons of the same class and equal expectation of life. This is not intended to prohibit appropriate presentation of the investment elements of a life insurance policy.
2. Other limitations—In accordance with subsections (A) through (C) above, the acts and practices set out in the following paragraphs are declared to be a violation of this rule in the sale of life insurance when used in a context or done under such circumstances or conditions as to have the capacity or tendency to mislead a purchaser or prospective purchaser to believe that he will receive, or that it is probable he will receive, something other than a life insurance policy, some benefit not provided in the policy, or some benefit not available to other persons of the same class and equal expectation of life. Each of said paragraphs will, therefore, be construed and applied in accordance with the provisions of this Section.
- a. Using any phrase as the name or title of a life insurance policy ~~which if the phrase~~ does not include the words “life insurance,” unless accompanied by other language in the same document ~~clearly indicating~~ expressly providing that the contract referred to is a life insurance policy.
- ~~b.3.~~ Making any statement relating to the growth or earnings of the life insurance industry or to the tax status of life insurance companies in a context ~~which that~~ would reasonably be understood to interest a prospect in the purchase of shares of stock in the insurance company rather than in the purchase of a life insurance policy.
- ~~e.4.~~ Making any statement ~~which that~~ reasonably gives rise to the belief that the insured will enjoy a status common to a stockholder or will acquire a stock ownership interest in the insurance company by ~~virtue of the purchase of~~ purchasing the policy, unless ~~such the~~ statement is made with reference to policies of domestic life insurers engaged in a program as set forth in the provisions of allowed under A.R.S. § 20-453.
- ~~d.5.~~ Providing a policyholder with ~~any a~~ premium receipt book, policy jacket, return envelope, or other printed or electronic material ~~containing references to the company’s referring to the insurer’s~~ “investment department,” “insured investment department,” or similar terminology in such a manner as to imply that the policy is sold, ~~or~~ issued, or is serviced by the insurer’s investment department of an insurance company.
- ~~3-~~ Referenced to special benefits
- ~~a.6.~~ Making any statement ~~which that~~ reasonably tends to imply that, by purchasing a policy, the purchaser or prospective purchaser will become a member of a limited group of persons who may receive the payment of dividends, special advantages, benefits, or favored treatment unless ~~such is specifically provided in~~ the insurance contract specifically provides for the described treatment. This paragraph has no relation or applicability to policies under which insured persons of 1 class of risk may receive dividends of a higher rate than persons of another class of risk.
- b. Stating that each stockholder is given the right to purchase or allocate a specific number of policies.
- ~~e.7.~~ Stating or implying that only a limited number of persons or limited class of persons ~~will be eligible to~~ may buy a particular kind of policy, unless ~~such the~~ limitation is related to recognized underwriting practices, or ~~unless such limitation~~ is specifically stated in the policy or rider ~~therefore~~.
- d. Stating that the policyholders who are to act as “centers of influence” for an insurance company in that capacity will share in the company’s surplus earnings in some manner not available to other policyholders of the same class.
4. Coupons
- a. Stating or implying that the principal amounts payable under the coupons represent interest, earnings, return on investments, a bonus, or anything other than benefits, the cost of which is included in the total premium.
- ~~b.8.~~ Describing premium payments in language ~~which that~~ states the payment is a “deposit,” unless:
- i.a. The payment establishes a debtor-creditor relationship between the insurance company and the policyholder; or
- ii.b. The term is used ~~in conjunction~~ with the word “premium” in a manner as to clearly indicate the true character of the payment.
- ~~5-9.~~ References to dividends
- a. Providing any illustration or projection of future dividends ~~which that~~ is not based on the company’s actual scale being used by the company for the payment of current dividends. ~~Furthermore, such The~~ projection or illustration ~~must shall~~ clearly indicate that the dividends are not guarantees.
- ~~b.10.~~ Using the words “dividends,” “cash dividends,” “surplus,” or similar phrases in ~~such~~ a manner as to state or imply that the payment of dividends is guaranteed or certain to occur.
- ~~e.11.~~ Stating, without qualification, that a purchaser of a policy will share in a stated percentage or portion of the insurer’s earnings of the company.
- ~~d. 12.~~ Making any statement that projected dividends under a participating policy will be or can be sufficient at any future time to assure the receipt of benefits such as a paid-up policy without further payment of premiums unless the statement is ~~accompanied by an adequate explanation as to~~ also explains:
- i.a. What benefits or coverage would be provided at ~~such the future~~ time; and
- ii.b. Under ~~which what~~ conditions this would occur.

6- Miscellaneous

- ~~a-13.~~ Describing a life insurance policy or premium payments ~~therefor~~ in terms of “units of participation,” unless accompanied by other language clearly indicating the references are to a life insurance policy or to premium payments, as the case may be.
- ~~b-~~ Using the words “contract,” “contract plan,” or “plan” in describing a life insurance policy, unless accompanied by other language in the same document clearly indicating the reference is to a life insurance policy.
- ~~e-14.~~ Including in sales kits and prepared sales presentations proposed answers to a prospect’s question as to whether life insurance is being sold, which are designed to avoid a clear and unequivocal statement that LIFE INSURANCE IS THE SUBJECT MATTER OF THE SOLICITATION. Advising producers to avoid disclosing that life insurance is the subject of the solicitation or sale.
- ~~d-15.~~ Stating that an insured is guaranteed certain benefits if the policy is allowed to lapse, without ~~making an explanation of explaining~~ the non-forfeiture benefits.
- ~~e-16.~~ Using a dollar amount in printed material to be shown to a prospective policyholder, unless the figure is accompanied by language ~~in such material~~ indicating the nature of the figure. ~~(This is intended to prohibit including the use of dollar figures not in relation to guaranteed values and properly projected dividend figures. It is intended to prohibit and the use of figures showing growth of stock values, or other values not a part of the life insurance contract.)~~
- ~~f-17.~~ Stating that a policy provides ~~certain~~ features ~~which are~~ not found in any other insurance ~~polices~~ policy, unless ~~that in fact be true~~ the insurer can demonstrate that other policies do not have the same feature.
- ~~g-18.~~ ~~The making of~~ Making any statement or implication ~~in regard to~~ about an insurance policy that cannot be verified by reference to the policy contract itself, or a specimen copy of the policy being described, or to the company’s officially published rate book and dividend illustrations.
- ~~h-19.~~ Stating that life insurance is “loss proof” or “depression proof,” but this shall not prohibit statements that life insurance benefits, ~~(other than dividends),~~ are guaranteed by the company regardless of economic conditions.
- ~~i-20.~~ Making any statement that a company makes a profit as a result of policy lapses or surrenders.
- ~~j-21.~~ Making comparisons to the past experience of other life insurance companies as a means of projecting possible experience ~~of your company for the company issuing the advertising. This is intended to protect policyholders from being misled through presentations as to the probabilities of the policy being sold having the same results as that of other companies which successfully sold similar policies, without a fair disclosure of the fact that many companies have had unfavorable experience.~~

22. Conduct or statements designed to mislead a potential applicant or purchaser.

- ~~E.~~ Effective date. The provisions of this rule shall become effective on January 1, 1969.
- ~~F.~~ Severability clause. If any provision of this rule is held invalid, such invalidity shall not affect other provisions of this rule which can be given effect without the invalid provision.
- ~~G.~~ Company responsibility. Each company will be held responsible for disseminating this information to their representatives and assuring compliance.

R20-6-203. Repealed Form Filings; Translations

- A. An insurer or rate service organization or rating organization shall provide the Department of Insurance with an English language translation of each form, advertisement, or other document or material that the insurer is required by statute or rule to file with the Department, if the filed document or material is communicated in a language other than English
- B. The translation shall compare the foreign language version in a side-by-side format with the English language translation and shall be performed by a person with formal college-level or specialized training in the foreign language including training in grammar and sentence syntax.
- C. With each translation, the insurer shall also provide a sworn statement signed by the certified vendor or translator who translated the document. The sworn statement shall include the qualifications of the translator and shall attest that the translation is identical in substance to the English document or material.
- D. If an insurer files a foreign language version of a document or material that the insurer has previously filed in English, the insurer is not required to refile the English version, but shall identify the English version, provide the mandatory side-by-side comparison under subsection (B), and shall file the sworn statement required under subsection (C).

R20-6-204. Surplus Lines Brokers’ Filing Requirements; List of Unauthorized Insurers

- A. Definitions.
 - 1. “Listed insurer” means an unauthorized insurer who is on the list created by the Director under subsection (C)(1) and A.R.S. § 20-413.
 - 2. “Surplus lines broker” means a person licensed under A.R.S. § 20-411.
 - 3. “Surplus lines insurance” means the type of insurance described in A.R.S. § 20-407.
 - 4. “Unauthorized insurer” means an insurer that does not have a certificate of authority to transact insurance in Arizona.
- B. Filing requirements. ~~Unauthorized insurers~~ An unauthorized insurer writing surplus lines insurance in Arizona and ~~each surplus line brokers~~ broker shall comply with the filing requirements of this Section.

- C. List of unauthorized insurers.
1. The Director shall create and maintain a list of unauthorized insurers that may write surplus lines insurance in this state under A.R.S. § 20-413. The list shall include the names of unauthorized insurers for which a surplus lines broker has made the filings required by this Section.
 2. ~~A listed insurer shall remain on the list until:~~ The Director shall retain a listed insurer on the list until:
 - a. The Director removes the insurer from the list under A.R.S. § 20-413 or subsection (H) or (I) below⁵² or
 - b. The insurer requests the Director to remove its name from the list, and the Director consents to the request.
- D. Placing surplus lines insurance. A surplus lines broker shall restrict all surplus lines business placed by the surplus lines broker to listed insurers. An insurer's removal from the list does not affect the validity of any contract existing at the time of removal.
- E. Requirements for Initial Listing of Foreign Unauthorized Insurers and Insurance Exchanges. A surplus lines broker shall file the following documents for a foreign unauthorized insurer:
1. An original or a certified copy of the insurer's certificate of compliance from the supervisory official of the insurer's state of domicile;
 2. A current Certificate of Deposit, Capital, and Surplus for Foreign Insurers from the public officials or other persons who have supervision over the insurer in any other state;
 3. A certification from the surplus lines broker of the insurer's compliance with the financial requirements of A.R.S. § 20-413;
 4. The insurer's most recent report of financial examination, certified by the insurance supervisory official of its state of domicile; and
 5. A certified copy of a full size National Association of Insurance Commissioners (N.A.I.C.) convention blank annual statement (Form 2) for the insurer as of December 31 of the preceding year.
- F. Requirements for Initial Listing of Alien Unauthorized Insurers. A surplus lines broker shall file a certification of the insurer's compliance with the financial requirements of A.R.S. § 20-413. For all alien insurers other than title insurers, the surplus lines broker may rely on the information contained in the most recent N.A.I.C. Financial Review of Alien Insurers as prima facie evidence of the insurer's compliance.
- G. Filing Requirements to Maintain Listing. To ensure that a foreign or alien unauthorized insurer remains on the Director's list, a surplus lines broker shall file, before June 1 of each year:
1. A copy of a full-size National Association of Insurance Commissioners (N.A.I.C.) convention blank annual statement (Form 2) for the insurer, as of December 31 of the preceding year; and
 2. An affidavit, on a form approved by the Director, that meets the requirements of this subsection.
 - a. The surplus lines broker and a duly authorized officer of the unauthorized insurer shall sign the affidavit.
 - b. The insurer's officer shall state whether there have been any changes in the insurer's name, address, state of domicile, statutory ~~agent producer~~, and any material changes in its operations since the insurer's initial qualification for listing or the last annual filing under this subsection. If there have been material changes in operations, the officer shall describe the changes. In this subsection, material changes include a change in any + one or a combination of the following:
 - i. A director, officer, or controlling person;
 - ii. The insurer's holding company or affiliates;
 - iii. The insurer's charter documents, including its articles of incorporation, articles of agreement, or by-laws governing its conduct of business;
 - iv. The insurer's marketing or administration plans, operations, or agreements with ~~3rd~~ third parties;
 - v. Any other matter material to the insurer meeting its obligations to its policyholders; and
 - vi. Any other matter that relates to any of the grounds for removal from the list as prescribed in A.R.S. § 20-413.
 - c. The insurer's officer shall state whether the insurer is in good standing in all jurisdictions where it conducts insurance business and whether the insurer has been, since the date of initial listing or the last annual filing under this subsection, or currently is, the subject of any action or order by any regulatory official in any jurisdiction. If the insurer has been or is the subject of a disciplinary action or order, the insurer's officer shall describe the matter in the affidavit and shall attach a copy of any applicable official document. In this subsection, regulatory action or order includes any + one or a combination of the following:
 - i. Denial, suspension, or revocation of a license, permit, or certificate of authority;
 - ii. A corrective action or operation plan, consent order, memorandum of understanding, or cease and desist order;
 - iii. Action against the insurer's bond or securities held in trust by a regulatory official; and
 - iv. Supervision, conservatorship, receivership, or any other form of possession or control by a regulatory official in any jurisdiction.
 - d. The insurer's officer shall state whether the report of examination, if any, previously filed with the Director under subsection (E)(3) or with a previous annual filing, remains the most current, filed report. If a more recent report

of examination exists, the surplus lines broker shall file a copy of the report with the affidavit.

- H. Supplemental information; removal. A surplus lines broker and an unauthorized insurer shall provide any additional information the Director requests to determine whether the insurer meets the requirements of A.R.S. § 20-413, or to clarify documents filed under this Section. The Director may remove an insurer from the list if the surplus lines broker or insurer does not submit the requested information within 30 days after the date of a written request for information.
- I. Removal for failure to make annual filing. The Director shall remove an unauthorized insurer from the list if a surplus lines broker fails to timely file the documents required by subsection (G). The Director shall not restore the insurer to the list until a surplus lines broker files all applicable documents required under subsections (E) and (F) and the insurer requalifies under A.R.S. § 20-413.
- J. Organizations of surplus lines brokers; unauthorized insurer.
 - 1. A surplus lines broker may file records or reports that are subject to examination with any voluntary organization of surplus lines brokers. The Director may examine the records or reports filed with an organization of surplus lines brokers to ascertain compliance with A.R.S. Title 20, Chapter 2, Article 5. An examination performed under this authority shall not preclude examination of records of a surplus lines broker.
 - 2. Nothing in this rule requires that a surplus lines broker become a member of any surplus lines organization to file or to preserve or maintain any affidavit or statement.

~~R20-6-206~~R20-6-205. Repealed Local or Regional Retaliatory Tax Information

- A. Definitions.
 - 1. "Addition to the rate of tax" means the tax rate determined under subsection ~~(E)~~ (D) to be applied under A.R.S. 20-230(A) and this Section to foreign or alien insurers domiciled in a foreign country or other state having local or regional taxes.
 - 2. "Alien insurer" has the meaning prescribed in A.R.S. § 20-201.
 - 3. "Arizona life insurer" means a domestic insurer authorized to issue life insurance policies in this state ~~under~~ within the meaning of A.R.S. § 20-254 or annuities ~~under~~ within the meaning of A.R.S. § 20-254.01 regardless of whether the insurer is authorized to transact disability insurance in this state
 - 4. "Department" means the Arizona Department of Insurance.
 - 5. "Director" has the meaning prescribed in A.R.S. § 20-102.
 - 6. "Domestic insurer" has the meaning prescribed in A.R.S. § 20-203.
 - 7. "Foreign insurer" has the meaning prescribed in A.R.S. § 20-204.
 - 8. "Foreign or alien life insurer" means a foreign or alien insurer authorized to issue life insurance policies in this state within the meaning of A.R.S. § 20-254 or annuities within the meaning of A.R.S. § 20-254.01 regardless of whether the insurer is authorized to transact disability insurance in this state.
 - 9. "Local or regional taxes" means any tax, license, or other obligation imposed upon domestic insurers or their ~~agents~~ producers by any:
 - a. City, county, or other political subdivision of a foreign country or other state; or
 - b. A combination of cities, counties, or other political subdivisions of a foreign country or other state.
 - 10. "Other Arizona insurer" means a domestic insurer authorized to transact ~~+~~ one or more lines of insurance in this state but not authorized to transact life insurance or annuities in this state.
 - 11. "Other foreign or alien insurer" means a foreign or alien insurer authorized to transact ~~+~~ one or more lines of insurance in this state but not authorized to transact life insurance or annuities in this state.
 - 12. "Other state" means any state in the United States, the District of Columbia and territories or possessions of the United States but excluding Arizona.
 - 13. "Premium Tax and Fees Report," including the "Survey of Arizona Domestic Insurers" and the "Retaliatory Taxes and Fees Worksheet," means the form prescribed by the Director and filed annually by insurers ~~pursuant to~~ under A.R.S. § 20-224.

~~EB~~. Scope. This rule applies to all foreign, alien, and domestic insurers.

~~DC~~. Data to be Reported by Domestic Insurers. Each domestic insurer shall file a Survey of Arizona Domestic Insurers as part of its Premium Tax and Fees Report. The Survey shall report the following data for the calendar year covered by the insurer's Premium Tax and Fees Report with respect to each foreign country or other state in which the insurer was required to pay any local or regional taxes:

- 1. Total local or regional taxes paid; and
- 2. Total premiums taxed under the premium taxing statute of the foreign country or other state, as reported by the insurer in any premium tax report filed under the laws of the foreign country or other state.

~~ED~~. Computation of Statewide and Foreign Countrywide Additions to the Rate of Tax. For each foreign country or other state having ~~+~~ one or more local or regional taxes on domestic insurers, the Department shall compute on a statewide or foreign countrywide basis an addition to the rate of tax. The Department shall compute the addition to the rate of tax payable by Arizona life insurers separately from the addition to the rate of tax payable by other Arizona insurers. The addition to the rate of tax payable by each category of Arizona domestic insurers shall be the quotient of:

1. The aggregate local or regional taxes reported as paid to the foreign country or other state by domestic insurers in each category for the calendar year covered by the Premium Tax and Fees Report divided by,
 2. The aggregate statewide or foreign countrywide premiums taxed under the premium taxing statute of the state or foreign country reported by domestic insurers in each category for the calendar year covered by the Premium Tax and Fees Report.
- FE.** Publication of Additions to the Rate of Tax. The Department shall publish additions to the rate of tax determined under A.R.S. § 20-230(A) and this Section, based upon the survey information gathered from domestic insurers for the preceding calendar year pursuant to ~~under~~ subsection ~~(D)~~ (C). The Department shall publish the information annually, on or before November 1, and in the Retaliatory Taxes and Fees Worksheet for the next year's Premium Tax and Fees Report.
- GF.** Foreign and Alien Insurers' Report of the Effect of Local or Regional Taxes. Each foreign or alien insurer domiciled in a foreign country or other state for which the Department publishes an addition to the rate of tax shall include in the "State or Country of Incorporation" column of its Retaliatory Taxes And Fees Worksheet for the calendar year covered by its Premium Tax and Fees Report an amount equal to:
1. The total premiums received in Arizona that would be taxed under the laws of the domiciliary jurisdiction, as reported in the "State or Country of Incorporation" column of its premium tax and fees report multiplied by,
 2. The applicable addition to the rate of tax published by the Department for the calendar year covered by the insurer's Premium Tax and Fees Report.
- HG.** Contest of Computation. A foreign or alien insurer subject to this rule may preserve the right to contest the computation of the addition to the rate of tax by submitting a notice of appeal under A.R.S. Title 41, Chapter 6, Article 10 before or at the time the retaliatory tax is paid. Subject to A.R.S. § 20-162, the filing of a notice of appeal to contest the computation of the applicable addition to the rate of tax does not relieve a foreign or alien insurer of the obligation to timely pay the retaliatory tax, and does not stay accrual of any applicable interest and penalties.
- HH.** Application. This rule applies to Premium Tax and Fees Reports filed by all insurers for the calendar year 1998 and all subsequent years.

R20-6-207R20-6-206. Industrial Insureds

- A.** Authority — This rule is adopted pursuant to A.R.S. §§ 20-106, 20-143 and 20-401.01 through 20-401.07.
- B.** Purpose — The purpose of this rule is to implement the legislative intent, as expressed in Chapter 23, Laws of 1972, to regulate and control industrial insureds contracting with unauthorized insurers in this state.
- C.** Scope — The scope of this rule is A.R.S. Title 20 and the information and returns required by this rule are declared necessary for the protection of residents of this state.
- D.** Repeal — This rule does not repeal any known prior rule, memorandum, bulletin, directive, or opinion on this subject matter.
- EA.** Definitions. — As used in In this rule, unless the context otherwise requires:
1. "Admitted insurer" means an insurer that the Director has issued a certificate of authority to transact insurance in this state under A.R.S. §§ 20-216 and 20-217.
 2. "Director" means the Director of Insurance of the State state of Arizona;
 23. "Gross premium" means the total premium charged, deducted or allocated including membership fees, assessments, dues and any other consideration for insurance, less premiums returned on account of cancellation or reduction of premium;
 34. "Industrial insured" has the meaning of A.R.S. § 20-401.07(B) ~~and all of the qualifying attributes of such subsection. The term and includes self-insureds if for any risk or exposure or partial risk or exposure is insured by a non-admitted insurer;~~
 45. "Insurer" has the same meaning of prescribed in A.R.S. § 20-106(C);
 5. "Reciprocal state" has the meaning of A.R.S. § 20-401;
 6. "Transact" or "transaction" has the same meaning of as prescribed in A.R.S. § 20-106(A) and (B) ~~and the following provisions of subparagraph (a):~~
 - a. Any of the following acts in this state effected by mail or otherwise, by or on behalf of an unauthorized insurer, is deemed to constitute the transaction of an insurance business in this state:
 - i. The making of or proposing to make, as an insurer, an insurance contract.
 - ii. The making of or proposing to make, as guarantor or surety, any contract of guaranty or suretyship as a vocation and not merely incidental to any other legitimate business or activity of the guarantor or surety.
 - iii. The taking or receiving of any application for insurance.
 - iv. The receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or any part thereof.
 - v. The issuance or delivery of contracts of insurance to residents of this state or to persons authorized to do business in this state.
 - vi. Directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of another any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or renewals thereof or

Notices of Proposed Rulemaking

in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or inspection of risks, a fixing of rates or investigation or adjustment of claims or losses or in the transaction of matters subsequent to effectuation of the contract and arising out of it, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance resident, located or to be performed in this state. The provisions of this subsection shall not operate to prohibit full-time salaried employees of a corporate insured from acting in the capacity of an insurance manager or buyer in placing insurance in behalf of such employer.

vii. ~~The transaction of any kind of insurance business specifically recognized as transacting an insurance business within the meaning of the statutes relating to insurance.~~

viii. ~~The transacting or proposing to transact any insurance business in substance equivalent to any provisions as provided in subdivisions (i) to (viii), inclusive, of this Section in a manner designed to evade the laws of this state.~~

7. ~~“Unauthorized insurer” as used herein means an insurer transacting business in this state who has not qualified for a certificate of authority, approval to operate as a non-admitted insurer, or for is not an admitted insurer, is not a listed qualified unauthorized insurer under R20-6-204(C), and has not been issued a certificate of exemption and filed a tax return and paid the premium taxes made a condition of such qualification pursuant to R20-6-404 under A.R.S. § 20-401.05.~~

FB. Applicability of the rule

1. ~~A.R.S. § 20-401.07 and this rule Section apply to all insurance transacted by an unauthorized insurer with an industrial insured; for which premiums, in whole or in part, are remitted directly or indirectly from within or outside this state and whether procured through negotiation by direct application, by mail, by an insurance producer on the industrial insured’s behalf, or by an application, in whole or in part, occurring or made within or outside this state any other means.~~

2. ~~A.R.S. § 20-401.07 and this rule apply to all insurance transacted by an unauthorized insurer with an industrial insured for which premiums, in whole or in part, are remitted directly or indirectly from within or outside this state.~~

GC. Return and premium required Tax to be paid by industrial insureds contracting with an unauthorized insurer.— Every industrial insured under a contract procured from an unauthorized insurer shall pay to the Director, before ~~April~~ March 1st next following after the calendar year in which the insurance was effectuated, continued, or renewed, a premium receipt tax of 3% of the gross premiums charged, deducted or allocated; to persons, residents or property located in, or contracts to be performed in this state and by A.R.S. § 20-401.07 deemed to be insurance effectuated or continued in this state. The return for premium receipts tax shall be prepared, executed and filed on Form E-166 attached hereto and made part hereof a form prescribed by the Director.

HD. Risks partly in this state

1. ~~If an industrial insured claims that the insurance contract with an unauthorized insurer covers risks or exposures only partly in this state, the industrial insured shall file, in addition to and accompanying with the Department the premium receipts tax return, and a certified statement clearly disclosing information necessary for a determination of the criteria of percentage allocation of A.R.S. § 20-401.07, including but not limited to containing the following information on a form prescribed by the Director:~~

- ~~a.1. Percentage of physical assets in Arizona;~~
- ~~b.2. Percentage of employee payroll in Arizona;~~
- ~~c.3. Percentage of sales in Arizona; and~~
- ~~d.4. Percentage of taxable income reportable in Arizona.~~

2. ~~In addition to the statements required by (H)(1) hereof, each industrial insured shall file with the Director the computations by which the tax payable has been computed on the portions of the premium which are properly allocable to the risk or exposure located in this state.~~

IE. Exemptions— ~~Persons~~ A person contracting with ~~an~~ an unauthorized ~~insurers~~ insurer claiming to be included inclusion in or exempt from the definition of “industrial insured” ~~of in~~ in A.R.S. § 20-401.07(B) shall file a certified statement ~~clearly disclosing that discloses the following information for that person:~~

- 1. The risk or risks insured other than life, disability and annuity contracts insurance risks that are subject to the requirements of A.R.S. Title 20, Chapter 2, Article 4.1 and the identity of the insurer;
- 2. the identity, title and functions The name of the full-time full-time employee acting as an insurance manager or buyer, or the identity, address and functions of a regularly and continuously retained qualified insurance consultant, and or third-party consultant retained to act as risk manager and the third-party consultant’s qualifications under A.R.S. § 20-401.07(B)(2);
- 23. The total aggregate annual gross premiums of the insured and the total number of full-time employees of the insured paid for insurance on all property and casualty risks that are subject to A.R.S. Title 20, Chapter 2, Article 4.1 as of the preceding fiscal year end;
- 4. Net worth as of the preceding fiscal year end, as verified by a certified public accountant; and
- 5. The total number of full-time employees or equivalent and if less than 80, the total number of full-time or equivalent

Notices of Proposed Rulemaking

employees of its holding company system, as of the date the policy was issued by the unauthorized insurer.

- ~~J.F.~~ Additional information — In addition to the certified statements required by this rule, the The Director may and if requested the industrial insured or insured, shall furnish require that the industrial insured provide the following additional information to the Director ~~additional information, including, but not limited to:~~
 1. The mode of premium payment showing the percentage paid by employer and employee;
 2. The amount of annual premium applied to life, disability, and annuity policies if additional risks are insured;
 3. A statement of loss claim ratio for the preceding year by policy type; and
 4. The amount of reserve for policies and contracts by type of policy.
- ~~K.~~ Failure to pay claims — Applications for classification as, or exemption from, the definition of the industrial insureds may be denied or rejected if the applicant has failed to pay any claims or loss within the provisions of an insurance contract issued by such applicant or by an unauthorized insurer for the applicant, or deemed to be insurance effectuated or continued in this state. The provisions of this Section may be waived by the Director upon a clear affirmative showing that the applicant is defending an action in law or equity in a court of this state.
- ~~L.~~ Reciprocal state — The list of the states and territories qualified as reciprocal states, and maintained by the Director pursuant to the authority and instruction of A.R.S. § 20-401.04 is by reference made part of this rule.
- ~~M.~~ Effective date
 1. This rule shall become effective ~~April 1st, 1973~~. All reports and returns to be filed or filed on or after the effective date of this rule, except as herein provided, shall conform to the provisions of this rule as of the effective date, ~~April 1st, 1973~~. Because of the fact that compliance with the provisions of A.R.S. § 20-401.07 and this rule involve complex matters that are not fully resolvable by the effective date, the time for filing initial returns and statements is hereby extended until July 1st, 1973, provided that the premium tax due accompanies the filing of such return or statement.
 2. Any industrial insured wishing to comply with A.R.S. § 20-401.07 and this rule prior to such extended date may do so by filing with the Director the required return, statement and premium tax due.
- ~~N.~~ Other approved dates — For good cause shown the Director may authorize industrial insured to make, complete and file returns, statements and reports required by statute or this rule on dates other than those required, if applied for in writing not less than 10 days prior to the due date of such return, statement, report or accounting.
- ~~O.~~ Severability — If any provision of this rule or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or applications of the rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.
- ~~P.~~ Forms — The filing of returns, reports, statements or accountings prescribed by this rule are not subject of a precise or specific form other than Forms A-1 and A-2 hereof. Filings shall adequately disclose the information required by statutes and this rule. If additional specific forms are hereafter adopted by the Department, such specific forms shall be prepared, executed and filed in accordance with such forms and the instructions attached thereto
- ~~Q.~~ Adoption — Notice of proposed adoption of this rule, together with a true copy thereof was filed in the Office of the Secretary of State on the 26th day of March, 1973, and a hearing thereof, pursuant to such notice, was held on the 24th day of April, 1973, when, pursuant to arguments made at such hearing and written memorandum filed thereafter, this rule was adopted on the 24th day of April, 1973. This rule shall become effective on the 1st day of April, 1973, pursuant to subsection (M) hereof.

~~R20-6-209~~**R20-6-207. Unfair Sex Gender Discrimination**

- ~~A.~~ Authority. This rule is adopted pursuant to A.R.S. §§ 20-142, 20-143, and 20-448.
- ~~B.~~ Purpose. The purpose of this rule is to eliminate the act of denying benefits or coverage on the basis of sex or marital status in the terms and conditions of insurance contracts and in the underwriting criteria of insurance carriers and to implement A.R.S. § 20-448, Unfair Discrimination.
- ~~C.~~A. Definitions:
 1. “Applicant” means a person who is applying for a policy.
 2. “Contracts” mean “Policy” means any an insurance policy, plan, contract, certificate, evidence of coverage, subscription contract, or binder, including any a rider or endorsement thereto offered by an insurer.
 3. “Insurer” has the meaning of A.R.S. §§ 20-104 and 20-106(e) means any company that issues a policy.
- ~~D.~~B. Applicability and scope. This rule shall apply applies to all contracts any policy or certificate delivered or issued for delivery in this state by an insurer on or after the effective date of this rule and to all existing group contracts which are amended on or after the effective date of this rule.
- ~~E.~~C. Availability requirements:
 1. Availability An insurer shall not deny availability of any insurance contract shall not be denied to an insured or prospective insured policy on the basis of the sex gender or marital status of the insured or prospective insured.
 2. The An insurer shall not restrict, modify, exclude, reduce, or limit the amount of benefits payable, or any term, conditions or type of coverage shall not be restricted, modified, excluded, or reduced on the basis of an applicant or insured’s sex gender or marital status of the insured or prospective insured, except to the extent the amount of bene-

fits, term, conditions, or type of coverage vary as a result of the application of rate differentials permitted under A.R.S., Title 20, Arizona Revised Statutes.

3. ~~Nothing in this rule shall prohibit an An insurer from taking into account for the purpose of defining to determine whether a persons person is eligible for dependents dependent coverage or benefits.~~

F.D. ~~Illustrations Prohibited practices. Illustrations of practices~~ The practices listed in this subsection, and other similar insurer conduct, is prohibited, by this rule include, but are not limited to, the following:

1. ~~Denying coverage to persons a person of one sex gainfully employed at home gender who is self-employed, employed part-time, or employed by relatives, when if coverage is offered to persons a person of the opposite sex gender who is similarly employed.~~
2. ~~Denying a policy riders rider to persons of one sex when a person of one gender if the riders are rider is available to persons a person of the opposite sex gender.~~
3. ~~Denying maternity benefits to insureds or prospective insureds purchasing an applicant or insured who buys a policy for an individual contract coverage if the insurer offers when comparable family coverage contracts offer policies with maternity benefits.~~
4. ~~Denying, under group contracts policies, dependent coverage to a spouse of an employee of one sex gender when if dependent coverage is available to an employee of the opposite sex gender.~~
5. ~~Denying a disability income contracts policy to an employed persons person of one sex gender when if coverage a policy is offered to persons a person of the opposite sex gender who is similarly employed.~~
6. ~~Treating complications of pregnancy differently from any other illness or sickness covered under the contracts a policy.~~
7. ~~Restricting, reducing, modifying, or excluding benefits relating to coverage involving the genital organs of only one sex gender.~~
8. ~~Offering lower maximum monthly benefits to persons a person of one sex gender than to persons a person of the opposite sex gender who are is in the same classification under a disability income contract policy.~~
9. ~~Offering more restrictive benefit periods and or more restrictive definitions of disability to persons of one sex a person of one gender than to persons a person of the opposite sex gender who is in the same classifications classification under a disability income contract policy.~~
10. ~~Establishing different conditions by sex under which the for a policyholder of one gender to may exercise benefit options contained in the contract policy than for a person of the opposite gender.~~
11. ~~Limiting the amount of coverage an insured or prospective insured may purchase based upon the insured's or prospective insured's marital status unless such limitation is for the purpose of defining persons eligible for dependent's benefits.~~
12. ~~Otherwise restricting, modifying, excluding or reducing the availability of any insurance contracts, the amount of benefits payable, or any term, condition or type of coverage on account of sex gender or marital status in all lines of insurance.~~

G. ~~Severability. If any provision of this rule or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the provisions or applications of the rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared to be severable.~~

H. ~~Effective date. This rule shall become effective immediately upon a certified copy of the same being filed in the office of the Secretary of State of the State of Arizona but not before April 1, 1977.~~

~~R20-6-210~~R20-6-208. Expired Group Coverage Discontinuance and Replacement

A. ~~Authority. This rule is adopted pursuant to A.R.S. §§ 20-142, 20-143, 20-441 through 20-460, and 20-1110. Definitions. The following definitions apply in this Section:~~

1. ~~"Group insurance" means an insurance benefit that meets the following conditions:~~
 - a. ~~Coverage is provided through insurance policies or subscriber contracts to classes of employees or members defined in terms of conditions pertaining to employment or membership.~~
 - b. ~~The coverage is not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with the particular organization or group.~~
 - c. ~~Coverage is paid for by bulk payment of premiums to the insurer.~~
 - d. ~~An employer, union, or association sponsors the plan.~~
2. ~~"Health insurance coverage" means a hospital and medical expense incurred policy, a nonprofit health care service plan contract, a health maintenance organization subscriber contract, or any other health care plan or arrangement that pays for or furnishes medical or health care services whether by insurance or otherwise, but does not include the following:~~
 - a. ~~Coverage only for accident, or disability income insurance, or any combination of accident or disability income insurance;~~
 - b. ~~Coverage issued as a supplement to liability insurance;~~
 - c. ~~Liability insurance, including general liability insurance and automobile liability insurance;~~

Notices of Proposed Rulemaking

- d. Workers' compensation or similar insurance;
 - e. Automobile medical payment insurance;
 - f. Credit-only insurance;
 - g. Coverage for onsite medical clinics; and
 - h. Other similar insurance coverage, specified in federal regulations issued under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Pub.L.No. 104-191), under which benefits for medical care are secondary or incidental to other insurance benefits.
 - i. The following benefits, if the benefits are provided under a separate policy, certificate, or contract of insurance or are otherwise not an integral part of the coverage:
 - i. Limited-scope dental or vision benefits;
 - ii. Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of the benefits;
 - iii. Other similar, limited benefits specified in federal regulations issued under HIPAA.
 - j. The following benefits if provided under a separate policy, certificate, or contract of insurance with no coordination between provision of benefits and any exclusion of benefits under a group health plan maintained by the same plan sponsor and if the benefits are paid for an event regardless of whether the benefits are provided under a group health plan maintained by the same plan sponsor:
 - i. Coverage only for a specified disease or illness; or
 - ii. Hospital indemnity or other fixed indemnity insurance.
 - k. The following benefits if the benefits are offered as a separate policy, certificate, or contract of insurance:
 - i. Medicare supplemental health insurance as defined under § 1882(g)(1) of the Social Security Act;
 - ii. Coverage supplemental to the coverage provided under, Title 10, Chapter 55, United States Code; or
 - iii. Similar supplemental coverage provided to coverage under a group health plan.
3. "Health status-related factor" means any of the following:
- a. Health status;
 - b. Medical condition, including a physical or mental illness;
 - c. Claims experience;
 - d. Receipt of health care;
 - e. Medical history;
 - f. Genetic information;
 - g. Evidence of insurability, including conditions arising out of acts of domestic violence; or
 - h. Disability.
4. "Insurer" means an insurer that offers or provides group health insurance coverage, and includes an insurer that issues disability insurance as defined in A.R.S. § 20-253, a medical, dental, optometric service corporation as defined in A.R.S. § 20-822, and a health care services organization as defined in A.R.S. § 20-1051.
- B.** ~~Scope. This rule Section is applicable applies to all group insurance policies and subscriber contracts issued or provided by an insurance company or a non-profit service corporation on a group or group-type basis covering persons as employees of employers or as members of unions (or associations) insurer.~~
- C.** ~~Definition. The term "group type basis" means a benefit plan, other than "salary budget" plans utilizing individual insurance policies or subscriber contracts, which meets the following conditions:~~
- 1- ~~Coverage is provided through insurance policies or subscriber contracts to classes of employees or members defined in terms of conditions pertaining to employment or membership.~~
 - 2- ~~The coverage is not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with the particular organization or group.~~
 - 3- ~~There are arrangements for bulk payment of premiums or subscription charges to the insurer or non profit service corporation.~~
 - 4- ~~There is sponsorship of the plan by the employer, union (or association).~~
- DC.** ~~Effective date of discontinuance for non-payment of premium or subscription charges~~
- 1. ~~If a group insurance policy or contract subject to these rules and regulations provides for automatic discontinuance of the policy or contract after a premium or subscription charge has remained remains unpaid through the grace period allowed for such payment, the carrier shall be insurer is liable for valid claims for covered losses incurred prior to before the end of the grace period.~~
 - 2. ~~If the insurer's actions of the carrier after the end of the grace period indicate that it the insurer considers the group insurance policy or contract as continuing in force beyond the end of the grace period (such as, by continuing to recognize claims subsequently incurred), the carrier shall be insurer is liable for valid claims for losses beginning prior to before the effective date of written notice of discontinuance to the policyholder or other entity responsible for making payments or submitting subscription charges to the carrier paying premiums. The effective date of discontinuance shall not be prior to midnight at the end of third scheduled work day after the date upon which the notice is delivered.~~
 - 3. ~~For the purpose of subsection (C)(2), the following actions indicate that the insurer considers the policy in force:~~

Notices of Proposed Rulemaking

- a. Continued recognition, acknowledgement, or payment of subsequently incurred claims; or
- b. Continued enrollment of employees or dependents.
- 4. For purposes of subsection (C)(2), the following actions shall not indicate that the insurer considers that policy in force:
 - a. Recognition, payment, or acknowledgement of a claim by an insurer for processing a denial based on eligibility or other denial reasons set forth in the group benefit plan booklet; or
 - b. Recognition, payment, or acknowledgement of claims due to the group's failure to notify the insurer that the employee is no longer eligible for coverage or the group policy is terminated.
- 5. The effective date of discontinuance shall not be before midnight at the end of the third scheduled work day after the date on which the notice is delivered.

~~E~~ D. Requirements for notice of discontinuance

- 1. ~~Any An insurer's~~ notice of discontinuance ~~so given by the carrier~~ shall include a request to the group policyholder ~~or other entity involved~~ to notify ~~covered~~ employees ~~covered under the policy or subscriber contract~~ of the date ~~as of which~~ when the group policy or contract will discontinue and to advise that, unless otherwise provided in the policy or contract, the ~~carrier shall~~ insurer is not be liable for claims for losses incurred after ~~such~~ the date of discontinuance. ~~Such~~ If the plan involves employee contributions, the notice of discontinuance shall also advise, ~~in any instance in which the plan involves employee contributions,~~ that if the policyholder ~~or in any instance in which the plan involves employee contributions,~~ that if the policyholder ~~or other entity~~ continues to collect employee contributions ~~for the coverage beyond the date of discontinuance, the policyholder or other entity may be held~~ is solely liable for the benefits with respect to for which the contributions ~~have been~~ were collected.
- 2. ~~The carrier will~~ insurer shall also prepare and furnish to provide the policyholder ~~or other entity at the same time with~~ a supply of a notice ~~form to be distributed~~ forms that the policyholder can distribute to the covered employees, ~~or members concerned indicating such~~ The notice forms shall explain the discontinuance and the effective date ~~thereof,~~ and urging ~~advise~~ the employees ~~or members~~ to refer to their certificates or contracts ~~in order to determine what their rights, if any, are available to them upon such~~ on discontinuance.

~~F~~ E. Extension of benefits.

- 1. ~~Every A~~ group policy ~~or other contract subject to these rules and regulations hereafter issued, or under which the level of benefits is hereafter altered, modified, or amended, must~~ shall provide a reasonable provision for extension of benefits ~~in the event of for an employee or dependent who is total disability at totally disabled on~~ the date of discontinuance of the group policy or contract, as required by the following paragraphs of this subsection: follows:
 - 2a. ~~In the case of For~~ a group life plan ~~which contains with~~ a disability benefit extension of any type (e.g., premium waiver extension, extended death benefit in event of total disability, or payment of income for a specified period during total disability), the discontinuance of the group policy shall not ~~operate to terminate such~~ the benefit extension.
 - 3b. ~~In the case of For~~ a group plan providing benefits for loss of time from work or specific indemnity during hospital confinement, discontinuance of the policy during a disability or hospital confinement shall ~~have no~~ not effect ~~on~~ benefits payable for that disability or hospital confinement.
 - 4c. ~~In the case of A~~ hospital or medical expense ~~coverages~~ coverage, other than dental and maternity expense, shall include a reasonable extension of benefits or accrued liability provision ~~is required~~. ~~Such a A~~ provision ~~will be considered is~~ "reasonable" if:
 - i. ~~It~~ It provides an extension of at least 12 months under "major medical" and "comprehensive medical" type ~~coverages,~~ coverage, ~~and or~~
 - ii. ~~under~~ Under other types of hospital or medical expense ~~coverages~~ coverage, provides either an extension of at least 90 days or an accrued liability for expenses incurred during a period of disability or during a period of at least 90 days starting with a specific event which occurred while coverage was in force (e.g., an accident).
- 52. ~~Any applicable extension of benefits or accrued liability shall be described in any~~ The policy ~~or contract involved as well as in~~ and group insurance certificates shall include a description of the extension of benefits or accrued liability provision.
- 3. The benefits payable during any period of extension or accrued liability may be subject to the policy's ~~or contract's~~ regular benefit limits (e.g., benefits ceasing at exhaustion of a benefit period or of maximum benefits).
- 4. For hospital or medical expense coverage, the benefit payments may be limited to payments applicable to the disabling condition only.

~~G~~ F. Continuance of coverage in situations involving replacement of one ~~carrier~~ plan by another.

- 1. ~~This Section shall indicate the carrier responsible for liability in those instances in which one carrier's contract~~ When a group policyholder secures replacement coverage with a new insurer, self-insures, or foregoes provision of coverage, replaces a plan of similar benefits of another.
- 2. ~~Liability of prior carrier. The prior carrier remains~~ the replaced insurer is liable only to the extent of its accrued liabilities and extensions of benefits ~~after the date of discontinuance. The position of the prior carrier shall be the same~~

Arizona Administrative Register / Secretary of State
Notices of Proposed Rulemaking

whether the group policyholder or other entity secures replacement coverage from a new carrier, self-insures, or foregoes the provision of coverage.

- 3.2. Liability of The succeeding carrier insurer shall cover each individual who:
- a. Each person who Was validly covered under the prior plan on the date of discontinuance, and
 - b. is Is eligible for coverage in accordance with according to the succeeding carrier's insurer's plan of benefits (in respect of with respect to the class or classes of individuals eligible for coverage and activity any actively-at-work and non-confinement rules) shall be covered by that plan of benefits.
3. For the purpose of successive health insurance coverage under subsection (F)(2), a succeeding insurer's plan of benefits shall:
- a. Not have any nonconfinement rules; and
 - b. Provide, as to any actively-at-work rules, that absence from work due to a health-status related factor is treated as being actively-at-work.
4. Nothing in subsection (F)(2) prohibits an insurer from performing coordination of benefits.
- b. 5. A succeeding insurer shall cover each individual Each person not covered under the succeeding carrier's insurer's plan of benefits in accordance with subparagraph (a) above must nevertheless under subsection (F)(2) be covered by the succeeding carrier in accordance with according to the following rules if such the individual was validly covered, (including benefit extension), under the prior plan on the date of discontinuance and if such individual is a member of the class or classes of individuals eligible for coverage under the succeeding carrier's insurer's plan. Any reference in the following rules to an individual who was or was not totally disabled is a reference to the individual's status immediately prior to before the effective date of coverage for the succeeding carrier's coverage becomes effective insurer.
- i.a. The minimum level of benefits to be provided by the succeeding carrier insurer shall be the applicable level of benefits of the prior carrier's insurer's plan reduced by any benefits payable by the prior plan.
 - ii.b. The succeeding insurer shall provide coverage Coverage must be provided by the succeeding carrier until at least the earliest of the following dates:
 - (1) i. The date the individual becomes eligible under the succeeding carrier's insurer's plan as described in subparagraph (a) above subsection (F)(2).
 - (2) ii. For each type of coverage, the The date the individual's coverage would terminate in accordance with according to the succeeding carrier's insurer's plan provisions applicable to individual termination of coverage (e.g., at termination of employment or ceasing to be eligible dependent, as the case may be).
 - (3) iii. In the case of For an individual who was totally disabled, and in the case of a type of coverage for which subsection (F) (E) requires an extension of accrued liability, the end of any period of extension of benefits or accrued liability which is required of the prior carrier by insurer under subsection (F) (E), or, if the prior carrier's insurer's policy or contract is not subject to that subsection, would have been required of that carrier insurer had its policy or contract been subject to subsection (F) (E) at the time the prior plan was discontinued and replaced by the succeeding carrier's insurer's plan.
 - iv. For health insurance coverage, in the case of an individual who was totally disabled at the time the prior insurer's plan was discontinued and replaced by the succeeding insurer's plan, and in the case in which subsection (E) requires an extension of benefits or accrued liability, the minimum level of benefits to be provided by the succeeding insurer shall be the applicable level of benefits of the prior insurer's plan, reduced by any benefits paid by the prior plan.
- c. In the case of a preexisting conditions limitation included in If the succeeding carrier's insurer's plan has a preexisting conditions limitation, the level of benefits applicable to preexisting conditions of persons becoming covered by the succeeding carrier's insurer's plan in accordance with according to this subsection (G) (F) during the period of time this limitation applies under the new plan shall be the lesser of:
- i. The benefits of the new plan determined without application of the preexisting conditions limitation; and
 - ii. The benefits of the prior plan.
- d. The succeeding carrier insurer, in applying any deductibles, coinsurance amounts applicable to the out-of-pocket maximums, or waiting periods in its plan, shall give credit for the satisfaction or partial satisfaction of the same or similar provisions under a prior plan providing similar benefits. In the case of For deductible provisions or coinsurance amounts applicable to the out-of-pocket maximums, the credit shall apply for the same or overlapping benefit periods and shall be given for expenses actually incurred and applied against the deductible or coinsurance provisions of the prior carrier's plan during the 90 days preceding the effective date of the succeeding carrier's insurer's plan but only to the extent these expenses are recognized under the terms of the succeeding carrier's insurer's plan and are subject to similar deductible or coinsurance provision provisions.
- e. In any situation where If the succeeding insurer is required to make a determination of about the benefits in the prior carrier's benefit is required by the succeeding carrier, at plan, the succeeding carrier's insurer may request ask the prior carrier shall furnish plan to provide a statement of the benefits available or pertinent information, sufficient to permit the succeeding insurer to verification of verify the benefit determination or the determination itself by the succeeding carrier. For the purposes of this Section, benefits of the prior plan will be determined in

accordance with all of the definitions, conditions, and covered expense provisions of the prior plan shall govern the benefit determination rather than those of the succeeding plan. The benefit determination will be is made as if the succeeding insurer had not replaced coverage had not been replaced by the succeeding carrier.

~~H.~~ Effective date. This rule shall become effective 120 days after a certified copy of this rule is filed in the office of the Secretary of State of the State of Arizona.

~~R20-6-211~~**R20-6-209. Life Insurance Solicitation**

~~A.~~ Authority. This rule is adopted and promulgated by the Director of Insurance pursuant to A.R.S. §§ 20-142, 20-143, 20-441 through 20-460, 20-1110 and 20-1111.

~~B.~~ Purpose

- ~~1.~~ The purpose of this rule is to require insurers to deliver to purchasers of life insurance information which will improve the buyer's ability to select the most appropriate plan of life insurance for his needs, improve the buyer's understanding of the basic features of the policy which has been purchased or which is under consideration and improve the ability of the buyer to evaluate the relative costs of the similar plans of life insurance.
- ~~2.~~ This rule does not prohibit the use of additional material which is not in violation of this rule or any other state statute or rule.

~~C.~~ Scope.

- ~~1.~~ Except as hereinafter exempted, this rule shall apply This Section applies to any solicitation, negotiation, or procurement of life insurance occurring within this state in Arizona. This rule shall apply Section applies to any issuer of life insurance contracts including fraternal benefit societies.
- ~~2.~~ Unless otherwise specifically included, the rule shall does not apply to:
 - ~~a.~~ Annuities.
 - ~~b.~~ Credit life insurance.
 - ~~c.~~ Group life insurance.
 - ~~d.~~ Life insurance policies issued in connection with pension and welfare plans as defined by and ~~which that~~ are subject to the Federal Employee Retirement Income Security Act of 1974 (ERISA); or
 - ~~e.~~ Variable life insurance under which the death benefits and cash values vary ~~in accordance with~~ unit values of investments held in a separate account.

~~D.~~ Definitions. For the purpose of this rule In this Section, the following definitions shall apply:

- ~~1.~~ "Buyer's Guide." ~~A Buyer's Guide is means~~ a document ~~which that~~ contains, ~~and is limited to~~, the language contained in the Appendix to this rule Section or language approved by the Director of Insurance.
- ~~2.~~ "Cash dividend." ~~A cash dividend is means~~ the current illustrated dividend ~~which that~~ can be applied toward payment of the gross premium.
- ~~3.~~ "Equivalent Level Annual Dividend." ~~The Equivalent Level Annual Dividend is means the dividend that is calculated by applying the following steps as follows:~~
 - ~~a.~~ Accumulate the annual cash dividends at 5% interest compounded annually to the end of the ~~tenth and twentieth~~ 10th and 20th policy years.
 - ~~b.~~ Divide each accumulation of ~~Step in subsection~~ (a) by an interest factor that converts it onto one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the values in ~~Step subsection~~ (a) over the respective periods stipulated in ~~Step subsection~~ (a). If the period is 10 years, the factor is 13.207 and if the period is 20 years, the factor is 34.719.
 - ~~c.~~ Divide the results of ~~Step in subsection~~ (b) by the number of thousands of the Equivalent Level Death Benefit to arrive at the "Equivalent Level Annual Dividend."
- ~~4.~~ "Equivalent Level Death Benefit." ~~The Equivalent Level Death Benefit means the amount of benefit of a policy or term life insurance rider is an amount calculated as follows:~~
 - ~~a.~~ Accumulate the guaranteed amount payable upon death, regardless of the cause of death, at the beginning of each policy year for 10 and 20 years at 5% interest compounded annually to the end of the ~~tenth and twentieth~~ 10th and 20th policy years respectively.
 - ~~b.~~ Divide each accumulation of ~~Step in subsection~~ (a) by an interest factor that converts it into one equivalent level annual amount that, if paid at the beginning of each year, would accrue to the value in ~~Step subsection~~ (a) over the respective periods stipulated in ~~Step subsection~~ (a). If the period is 10 years, the factor is 13.207 and if the period is 20 years, the factor is 34.719.
- ~~5.~~ "Generic Name." ~~Generic Name~~ means a short title ~~which is~~ descriptive of the premium and benefit patterns of a policy or a rider.
- ~~6.~~ "Life Insurance Cost Indexes."
 - ~~a.~~ "Life Insurance Surrender Cost Index." ~~The Life Insurance Surrender Cost Index means the cost index that is calculated by applying the following steps as follows:~~
 - ~~ia.~~ Determine the guaranteed cash surrender value, if any, available at the end of the ~~tenth and twentieth~~ 10th and 20th policy years.

ment. All information required to be disclosed ~~must shall~~ be set out in such a manner as to not minimize or render any portion thereof not be minimized or obscure. Any amounts ~~which that~~ remain level for two or more years of the policy may be represented by a single number ~~if it is clearly indicated that clearly indicates~~ what amounts are applicable for each policy year. Amounts in ~~(7)(8)(e)~~ of this subsection shall be listed in total, not on a per thousand nor per unit basis. If more than one insured is covered under one policy or rider, guaranteed death benefits shall be displayed separately for each insured or for each class of insured if death benefits do not differ within the class. Zero amounts shall be displayed as zero and shall not be displayed as a blank space.

E. C. Disclosure requirements.

1. The insurer shall provide, to all prospective purchasers, a Buyer's Guide and a Policy Summary ~~prior to before~~ accepting the applicant's initial premium or premium deposit, unless the policy for which application is made contains an unconditional refund provision of at least 10 days or unless the Policy Summary contains ~~such~~ an unconditional refund offer, in ~~which that~~ event the Buyer's Guide and Policy Summary ~~must shall~~ be delivered with the policy or ~~prior to before~~ delivery of the policy.
2. The insurer shall provide a Buyer's Guide and a Policy Summary to any prospective purchaser upon request.
3. ~~In the case of policies whose~~ If the Equivalent Level Death Benefits ~~do~~ Benefit of a policy does not exceed \$5,000, the requirement for providing a Policy Summary ~~will be is~~ satisfied by delivery of a written statement containing the information described in ~~subsection (D), paragraph (7), subparagraphs (b)~~ subsections (D)(8)(b), (c), (d), (e)(i) through (e)(iii), (f), (g), (j), and (k).

F. D. General rules

1. Each insurer shall maintain at its home office or principal office ~~for at least three years after last authorized use a complete file containing one~~ copy of each document ~~authorized by the insurer form the insurer authorized~~ for use pursuant to this rule. Such file shall contain one copy of each authorized form for a period of three years following the date of its last authorized use.
2. ~~An agent~~ A producer shall inform the prospective purchaser, ~~prior to before~~ commencing a life insurance sales presentation, that ~~he the~~ producer is acting as a life insurance agent producer and inform the prospective purchaser of the full name of the insurance company ~~which he that the~~ producer is representing to the buyer. ~~In sales situations in which an agent is not involved~~ If an insurance producer is not involved in the sale, the insurer shall identify its full name.
3. ~~Terms~~ An insurer shall not use terms such as financial planner, investment advisor, financial consultant, or financial counselling ~~shall not be used in such a way as~~ counseling to imply that the insurance agent producer is generally engaged in an advisory business in which compensation is unrelated to sales unless ~~such that~~ is actually the case.
4. ~~Any reference to~~ If an insurer refers to policy dividends, the reference ~~must shall~~ include a statement that dividends are not guaranteed.
5. ~~A~~ An insurer shall not use a system or presentation ~~which that~~ does not recognize the time value of money through the use of appropriate interest adjustments ~~shall not be used~~ for comparing the cost of two or more life insurance policies. ~~Such~~ An insurer may use such a system or presentation to demonstrate ~~may be used for the purpose of demonstrating~~ the cash flow pattern of a policy if ~~such the~~ presentation is accompanied by a statement disclosing that the presentation does not recognize that, because of interest, a dollar in the future has less value than a dollar today.
6. ~~A~~ In a presentation of benefits, an insurer shall not display guaranteed and non-guaranteed benefits as a single sum ~~unless they are shown separately in close proximity thereto.~~
7. ~~A~~ An insurer shall include with a statement regarding the use of the Life Insurance Cost Indexes ~~shall include~~ an explanation ~~to the effect~~ that the indexes are useful only for the comparison of the relative costs of two or more similar policies.
8. ~~A~~ An insurer shall include with a Life Insurance Cost Index ~~which that~~ reflects dividends or an Equivalent Level Annual Dividend ~~shall be accompanied by~~ a statement that it is based on the company's current dividend scale and is not guaranteed.
9. ~~For the purposes of this rule, the annual premium for a basic policy or rider, for which the company reserves the right to change the premium, shall be the maximum annual premium. If an insurer reserves the right to change the premium for a basic policy or rider, the annual premium shall be the maximum annual premium.~~

G. E. Failure to comply. Failure of an insurer ~~An insurer's failure to provide or deliver a Buyer's Guide, or a Policy Summary as provided in subsection (E) shall constitute~~ constitutes an omission ~~which that~~ misrepresents the benefits, advantages, conditions, or terms of an insurance policy.

H. Effective date. This rule shall become effective immediately upon a certified copy of the same being filed in the Office of the Secretary of State of the State of Arizona but not before January 1, 1979.

APPENDIX

Life Insurance Buyer's Guide

The face page of the Buyer's Guide shall read as follows:

Life Insurance Buyer's Guide

This guide can show you how to save money when you shop for life insurance. It helps you to:

- Decide how much life insurance you should buy,
- Decide what kind of life insurance policy you need, and
- Compare the cost of similar life insurance policies.

Prepared by the National Association of Insurance Commissioners

Reprinted by (Company Name)

(Month and year of printing)

The Buyer's Guide shall contain the following language at the bottom of page 2:

The National Association of Insurance Commissioners is an association of state insurance regulatory officials. This association helps the various Insurance Departments to coordinate insurance laws for the benefit of all consumers. You are urged to use this Guide in making a life insurance purchase.

Buying Life Insurance

When you buy life insurance, you want a policy ~~which~~ that fits your needs without costing too much. Your first step is to decide how much you need, how much you can afford to pay and the kind of policy you want. Then, find out what various companies charge for that kind of policy. You can find important differences in the cost of life insurance by using the life insurance cost indexes ~~which~~ that are described in this guide. A good life insurance ~~agent~~ producer or company will be able and willing to help you with each of these shopping steps.

If you are going to make a good choice when you buy life insurance, you need to understand what kinds are available. If one kind does not seem to fit your needs, ask about the other kinds ~~which~~ that are described in this guide. If you feel that you need more information than is given here, you may want to check with a life insurance ~~agent~~ producer or company or books on life insurance in your public library.

This guide does not endorse any company or policy.

The remaining text of the buyer's guide shall begin on page 3 as follows:

Choosing the Amount

One way to decide how much life insurance you need is to figure how much cash and income your dependents would need if you were to die. You should think of life insurance as a source of cash needed for expenses of final illnesses, paying taxes, mortgages or other debts. It can also provide income for your family's living expenses, educational costs and other future expenses. Your new policy should come as close as you can afford to making up the difference between (1) what your dependents would have if you were to die now, and (2) what they would actually need.

Choosing the Right Kind

All life insurance policies agree to pay an amount of money if you die. But all policies are not the same. There are three basic kinds of life insurance.

1. Term insurance
2. Whole life insurance
3. Endowment insurance

Remember, no matter how fancy the policy title or sales presentation might appear, all life insurance policies contain one or more of the three basic kinds. If you are confused about a policy that sounds complicated, ask the ~~agent~~ producer or company if it combines more than one kind of life insurance. The following is a brief description of the three basic kinds:

Term Insurance

Term insurance is death protection of a "term" of one or more years. Death benefits will be paid only if you die within that term of years. Term insurance generally provides the largest immediate death protection for your premium dollar.

Some term insurance policies are "renewable" for one or more additional terms even if your health has changed. Each time you renew the policy for a new term, premiums will be higher. You should check the premiums at older ages and the length of time the policy can be continued.

Some term insurance policies are also "convertible." This means that before the end of the conversion period, you may trade the term policy for a whole life or endowment insurance policy even if you are not in good health. Premiums for the new policy will be higher than you have been paying for the term insurance.

Whole Life Insurance

Whole life insurance gives death protection for as long as you live. The most common type is called "straight life" or "ordinary life" insurance, for which you pay the same premiums for as long as you live. These premiums can be several times higher than you would pay initially for the same amount of term insurance. But they are smaller than the premiums you would eventually pay if you were to keep renewing a term insurance policy until your later years.

Some whole life policies let you pay premiums for a shorter period such as 20 years, or until age 65. Premiums for these policies are higher than for ordinary life insurance since the premium payments are squeezed into a shorter period.

Although you pay higher premiums, to begin with, for whole life insurance than for term insurance, whole life insurance policies develop "cash values" which you may have if you stop paying premiums. You can generally either take the cash, or use it to buy some continuing insurance protection. Technically speaking, these values are called "nonforfeiture benefits." This refers to benefits you do not lose (or "forfeit") when you stop paying premiums. The amount of these benefits depends on the kind of policy you have, its size, and how long you have owned it.

A policy with cash values may also be used as collateral for a loan. If you borrow from the life insurance company, the rate of interest is shown in your policy. Any money which ~~that~~ you owe on a policy loan would be deducted from the benefits if you were to die, or from the cash value if you were to stop paying premiums.

Endowment Insurance

An endowment insurance policy pays a sum or income to you - the policyholder - if you live to a certain age. If you were to die before then, the death benefit would be paid to your beneficiary. Premiums and cash values for endowment insurance are higher than the same amount of whole life insurance. Thus endowment insurance gives you the least amount of death protection for your premium dollar.

Finding a Low Cost Policy

After you have decided which kind of life insurance fits your needs, look for a good buy. Your chances of finding a good buy are better if you use two types of index numbers that have been developed to aid in shopping for life insurance. One is called the "Surrender Cost Index" and the other is the "Net Payment Cost Index." It will be worth your time to try to understand how these indexes are used, but in any event, use them only for comparing the relative costs of similar policies. LOOK FOR POLICIES WITH LOW COST INDEX NUMBERS.

What is Cost?

"Cost" is the difference between what you pay and what you get back. If you pay a premium for life insurance and get nothing back, your cost for the death protection is the premium. If you pay a premium and get something back later on, such as a cash value, your cost is smaller than the premium.

The cost of some policies can also be reduced by dividends; these are called "participating" policies. Companies may tell you what their current dividends are, but the size of future dividends is unknown today and cannot be guaranteed. Dividends actually paid are set each year by the company.

Some policies do not pay dividends. These are called "guaranteed cost" or "non participating" policies. Every feature of a guaranteed cost policy is fixed so that you know in advance what your future cost will be.

The premiums and cash values of a participating policy are guaranteed, but the dividends are not. Premiums for participating policies are typically higher than for guaranteed cost policies, but the cost to you may be higher or lower, depending on the dividends actually paid.

What Are Cost Indexes?

In order to compare the cost of policies, you need to look at:

1. Premiums
2. Cash values
3. Dividends

Cost indexes use one or more of these factors to give you a convenient way to compare relative costs of similar policies. When you compare costs, an adjustment must be made to take into account that money is paid and received at different times. It is not enough to just add up the premiums you will pay and subtract the cash values and dividends you expect to get back. These indexes take care of the arithmetic for you. Instead of having to add, subtract, multiply and divide many numbers yourself, you just compare the index numbers which you can get from life insurance ~~agents~~ producers and companies:

1. Life Insurance Surrender Cost Index. This index is useful if you consider the level of the cash values to be of primary importance to you. It helps you compare costs if at some future point in time, such as 10 or 20 years, you were to surrender the policy and take its cash value.

Life Insurance Net Payment Cost Index. This Index is useful if your main concern is the benefits that are to be paid at your death and if the level of cash values is of secondary importance to you. It helps you compare costs at some future point in

Notices of Proposed Rulemaking

time, such as 10 or 20 years, if you continue paying premiums on your policy and do not take its cash value.

There is another number called the Equivalent Level Annual Dividend. It shows the part dividends play in determining the cost index of a participating policy. Adding a policy's Equivalent Level Annual Dividend to its cost index allows you to compare total costs of similar policies before deducting dividends. However, if you make any cost comparisons of a participating policy with a non participating policy, remember that the total cost of the participating policy will be reduced by dividends, but the cost of the non participating policy will not change.

How Do I Use Cost Indexes?

The most important thing to remember when using cost indexes is that a policy with a small index number is generally a better buy than a comparable policy with a larger index number. The following rules are also important:

- (1) Cost comparisons should only be made between similar plans of life insurance. Similar plans are those which provide essentially the same basic benefits and require premium payments for approximately the same period of time. The closer policies are to being identical, the more reliable the cost comparison will be.
- (2) Compare index numbers only for the kind of policy, for your age and for the amount you intend to buy. Since no one company offers the lowest cost for all types of insurance at all ages and for all amounts of insurance, it is important that you get the indexes for the actual policy, age and amount which you intend to buy. Just because a "Shopper's Guide" tells you that one company's policy is a good buy for a particular age and amount, you should not assume that all of that company's policies are equally good buys.
- (3) Small differences in index numbers could be offset by other policy features, or differences in the quality of service you may expect from the company or its agent producer. Therefore, when you find small differences in cost indexes, your choice should be based on something other than cost.
- (4) In any event, you will need other information on which to base your purchase decision. Be sure you can afford the premiums, and that you understand its cash values, dividends and death benefits. You should also make a judgment on how well the life insurance company or agent producer will provide service in the future, to you as a policyholder.
- (5) These life insurance cost indexes apply to new policies and should not be used to determine whether you should drop a policy you have already owned for awhile, in favor of a new one. If such a replacement is suggested, you should ask for information from the company ~~which~~ that issued the old policy before you take action.

Important Things To Remember - A Summary

The first decision you must make when buying a life insurance policy is choosing a policy whose benefits and premiums must closely meet your needs and ability to pay. Next, find a policy which is also a relatively good buy. If you compare Surrender Cost Indexes and Net Payment Cost Indexes of similar competing policies, your chances of finding a relatively good buy will be better than if you do not shop. REMEMBER, LOOK FOR POLICIES WITH LOWER COST INDEX NUMBERS. A good life insurance agent producer can help you to choose the amount of life insurance and kind of policy you want and will give you cost indexes so that you make cost comparisons of similar policies.

Don't buy life insurance unless you intend to stick with it. A policy which is a good buy when held for 20 years can be very costly if you quit during the early years of the policy. If you surrender such a policy during the first few years, you may get little or nothing back and much of your premium may have been used for company expenses.

Read your new policy carefully, and ask the agent producer or company for an explanation of anything you do not understand. Whatever you decide now, it is important to review your life insurance program every few years to keep up with changes in your income and responsibilities.

R20-6-212R20-6-210. Readable and Understandable Policy: Private Passenger Automobile, Homeowner, Personal Line Dwelling, and Mobile Homeowner

A. Authority. This rule is adopted and promulgated by the Director of Insurance pursuant to A.R.S. §§ 20-142, 20-143, 20-441 through 20-460, 20-1110, 20-1110.01 and 20-1111.

B. Purpose. The purpose of this rule is to provide an orderly procedure for complying with the provisions of A.R.S. § 20-1110.01.

C-A. Definitions. ~~As used~~ The following definitions apply in this rule, ~~unless the context otherwise requires~~ Section:

1. A ~~readable~~ "Readable insurance policy" is means a ~~contract policy designed to~~ that can be read and reasonably understood by a person without special knowledge or training.
2. "Policy" means contract or agreement for ~~or effecting~~ insurance, or ~~the an insurance certificate thereof~~, by whatever name called, and includes all clauses, ~~riders~~, endorsements and papers attached ~~thereto and a part thereof~~ or incorporated.

D-B. Scope.

1. This rule Section applies to ~~individual and personal line private passenger automobile motor vehicle policies, homeowner policies, and individual and personal line dwelling policies, for (4 four family units or less), and mobile homeowner policies~~ delivered or issued for delivery in Arizona ~~or amended on or after January 1, 1979. This rule shall not~~

apply to any such dwelling policy covering a mobile home until after December 31, 1979.

- 2- This rule applies to individual and personal line automobile policies and individual and personal line dwelling policies (4 family units or less) that are renewed on or after January 1, 1982.
- 3- The Director reserves the right to extend the scope of this rule to other kinds of insurance in the future.

E.C. Compliance.

1. Each An insurer is required to shall test the readability of its policy by use of the Flesch Readability Formula as set forth in Rudolf Flesch, The Art of Readable Writing (1949, as revised 1974).
2. A An insurer's policy shall have a total readability score of 40 or more on the Flesch scale is required.
3. All policies, outlines of coverage or brochures within the scope of this rule shall be filed with the Director accompanied by a sworn affidavit setting forth the Flesch score and a sworn statement of compliance with the guidelines set forth in this rule. An insurer shall include with each policy form filing required to be filed with the Director a checklist for the line of insurance setting forth the Flesch score.

F. Readable policy guidelines

D. Readability guidelines.

- 1- The policy as a legal document. ~~Revision of the insurance policy to make it more readable must not lead to its devaluation as a legal document. The policy must comply with all statutory and regulatory requirements.~~
- 2- Arizona standard fire policy. A.R.S. § 20-1110.01 modifies the provisions of Article 7, Chapter 6, Title 20, Arizona Revised Statutes, relating to the Arizona standard fire policy. All policies within the scope of the rule, including any policy that contains, in whole or in part, the provisions of the Arizona standard fire policy, shall comply with all requirements of this rule.
31. General organization of text.
 - a. A readable policy shall be divided into logically arranged sections for ease of locating desired content.
 - b. Each section shall be self-contained as to provisions relating solely to that section.
 - c. General policy provisions applying to all or several coverages alike shall be located in a common area.
 - d. Non-essential provisions shall be eliminated.
 - e. Defined words and terms shall be ~~selected with care and placed in a separate definition section to appear early in~~ the placed in a section at the beginning of the policy format.
42. Visual aids to readability. The insurer shall ensure that each policy meets the following format requirements:
 - a. Type size shall ~~not be smaller than 8 at least eight point and type style shall be selected with legibility as the primary consideration.~~
 - b. The font shall be block print rather than script, and legible.
 - ~~b.c.~~ Captions and headings shall be ~~clearly~~ distinguishable from the general text.
 - ~~e.d.~~ White space separating coverages, policy sections, and columns shall be sufficient to make a distinct separation.
 - ~~d.e.~~ Defined words and terms shall be ~~clearly~~ distinguishable from the general text.
53. Language usage ~~suggestions~~. The insurer shall ensure that each policy:
 - a. ~~The policy should be Is~~ written in everyday, conversational language;
 - b. Use Uses short, simple sentences and words in common usage ~~wherever possible.~~
 - c. Use Uses a personal style, personal pronouns, and present tense; active verbs; ~~wherever possible.~~

G. Outline of coverage. ~~The requirements for a readable insurance policy contained in this rule may be complied with by an insurer providing to the policyholder an outline of coverage or brochure which accompanies the policy. Such an outline of coverage or brochure must comply with the readability requirements contained in this rule for a policy. If an insurer elects to use such an outline of coverage or brochure, the policy that is provided to the policyholder and accompanied with the outline of coverage or brochure need not comply with the readability requirements of this rule. If an insurer elects to use such an outline of coverage or brochure, the outline of coverage or brochure must contain all provisions of the policy.~~

H. This rule shall become effective immediately upon a certified copy of the same being filed in the Office of the Secretary of State of the State of Arizona.

R20-6-213R20-6-211. Unfair Discrimination on the Basis of Blindness, Partial Blindness

A. Authority. This rule is adopted pursuant to A.R.S. §§ 20-142, 20-143, 20-441 through 20-460, 20-1110 and 20-1111.

B. Purpose. The purpose of this rule is to ensure that individuals who are blind, partially blind, or have a physical disability will not be unfairly discriminated against in the rates charged for or the availability of any contract of life insurance or life annuity or in the dividends or other benefits payable thereon or in any other of the terms and conditions of such contract; and will not be unfairly discriminated against in the amount of premium, policy fees or rates charged for or the availability of any policy or contract of insurance other than life or in the benefits payable thereunder or in any of the terms or conditions of such contract, or in any manner whatever.

CA. Definitions. The following definitions apply in this Section:

1. "Contract" "Policy" means any ~~policy of~~ contract or agreement for or effecting insurance, or the a certificate thereof of insurance, by whatever name called, and includes all clauses, riders, endorsements and attached papers ~~attached thereto and a part thereof.~~

Notices of Proposed Rulemaking

2. "Person" shall mean "person" as defined ~~has the same meaning prescribed in A.R.S. § 20-105.~~

~~D.B.~~ Scope. This rule shall apply Section applies to all ~~contracts policies delivered or issued for delivery in this state by a person on or after the effective date of this rule. This rule shall also apply to any group or blanket contract which has been delivered or issued for delivery in this state before the effective date of this rule, but not until such contract is amended or renewed at or after the later of the following times:~~

- 1- The effective date of this rule, or
- 2- If the contract provides benefits in connection with or pursuant to the provisions of a collective bargaining agreement which is in force on the effective date of this rule, when such collective bargaining agreement expires.

~~E.C.~~ Prohibition. The following ~~are hereby identified as acts or practices which constitute unfair discrimination between individuals of the same class and are prohibited:~~

1. Refusing to insure, or refusing to continue to insure, or limiting the amount, extent or kind of coverage available to an individual ~~solely because of blindness or partial blindness;~~ or ~~charging~~
2. ~~Charging~~ an individual a different rate for the same coverage ~~solely because of blindness or partial blindness.~~

~~F.D.~~ As used in this subsection, ~~Refusal~~ "refusal to insure" includes denial by an insurer of disability insurance coverage on the grounds that the policy defines "disability" as being presumed ~~in the event that if the insured loses his/her eyesight. However, an An~~ insurer may exclude from coverage disabilities, consisting solely of blindness or partial blindness, ~~when such condition existed at the time if the insured was blind or partially blind when the policy was issued.~~

~~G.E.~~ With respect to ~~For~~ all other conditions, including the underlying cause of the blindness or partial blindness, ~~persons who are a person who is~~ blind or partially blind ~~shall be is~~ subject to the same standards of sound actuarial principles or actual or reasonably anticipated experience as ~~are a sighted persons person.~~

~~R20-6-215~~**R20-6-212. Forms for Replacement of Life Insurance Policies and Annuities**

The Department adopts, incorporates, and approves as its own the following forms of the National Association of Insurance Commissioners Model Regulations (and no future editions or amendments), which are incorporated by reference, ~~on file with the Office of Secretary of State, and copies available from~~ at the Department of Insurance, 2910 North 44th Street, Phoenix, Arizona 85018 and the National Association of Insurance Commissioners, Publications Department, 2301 McGee St., Suite 800, Kansas City, MO 64108:

1. For the purpose of meeting the requirements of A.R.S. § 20-1241.03(C): Life Insurance and Annuities Replacement Model Regulation, Appendix A - Important Notice: Replacement of Life Insurance or Annuities, Volume III, pp. 613-11 through 613-12, July 2000.
2. For the purpose of meeting the requirements of A.R.S. § 20-1241.07(A): Life Insurance and Annuities Replacement Model Regulation, Appendix B - Notice Regarding Replacement: Replacing Your Life Insurance Policy or Annuity?, Volume III, pp. 613-13, July 2000.
3. For the purpose of meeting the requirements of A.R.S. § 20-1241.07(B)(2): Life Insurance and Annuities Replacement Model Regulation, Appendix C - Important Notice: Replacement of Life Insurance or Annuities, Volume III, pp. 613-14 through 613-15, 1998.

~~R20-6-215.01~~**R20-6-212.01. Forms for Buyer's Guide for Annuities**

The Department adopts, incorporates, and approves as its own the following forms of the National Association of Insurance Commissioners Model Regulations (and no future editions or amendments), which are incorporated by reference, ~~on file with the Office of Secretary of State, and copies available from~~ at the Department of Insurance, 2910 North 44th Street, Phoenix, Arizona 85018 and the National Association of Insurance Commissioners, Publications Department, 2301 McGee St., Suite 800, Kansas City, MO 64108:

For the purpose of meeting the requirements of A.R.S. § 20-1242.02 regarding a Buyer's Guide: Annuity Disclosure Model Regulation, Appendix - Buyer's Guide to Fixed Deferred Annuities, Volume II, pp. 245-6 through 245-13, 1999, with attached Appendix I - Equity-Indexed Annuities, Volume II, pp. 245-14 through 245-20, 1999.

~~R20-6-216~~**R20-6-213. Life and Disability Insurance Policy Language Simplification**

~~A.~~ Authority. This rule is adopted and promulgated by the Director of Insurance pursuant to A.R.S. §§ ~~20-142, 20-143, 20-441 through 20-460, 20-1110, 20-1110.01 and 20-1111.~~

~~B.~~ Purpose. The purpose of this rule is to establish minimum standards for language used in policies, contracts and certificates of life insurance, disability insurance, credit life insurance and credit disability insurance delivered or issued for delivery in this state to facilitate ease of reading by insureds.

~~C.A.~~ Definitions. As used in this rule, unless the context otherwise requires The following definitions apply in this Section:

1. "Company" or "insurer" means any life or disability insurance company, benefit insurer, benefit stock insurer, pre-paid dental plan organizations, health care service organizations, and all similar type organizations.
2. "Director" means the Director of Insurance of Arizona.
3. "Policy" or "policy form" means any policy, contract, plan or agreement of life or disability insurance, including credit life insurance and credit disability insurance, delivered or issued for delivery in the state by any company subject to this rule; and any certificate issued pursuant to ~~under~~ a group insurance policy delivered or issued for delivery

in this state.

D. B. Applicability.

1. This ~~rule Section and R20-6-212~~ shall apply to all life and disability insurance policies delivered or issued for delivery in this state by any company ~~on or after the date such forms must be approved under this rule, but nothing in this rule shall apply but do not apply~~ to:
 - a. ~~1. Any policy which that~~ is a security subject to federal jurisdiction;
 - b. ~~2. Any group policy covering a group of 1,000 or more lives at date of issue, other than a group credit life insurance policy or a group credit disability insurance policy; however, this shall not exempt any certificate issued pursuant to under a group policy delivered or issued for delivery in this state; or~~
 - c. ~~3. Any group annuity contract which that~~ serves as a funding vehicle for pension, profit-sharing, or deferred compensation plans;
 - d. ~~Any form used in connection with, as a conversion from, as an addition to, or in exchange pursuant to a contractual provision for, a policy delivered or issued for delivery on a form approved or permitted to be issued prior to the dates such forms must be approved under this rule; or~~
 - e. ~~The renewal of a policy delivered or issued for delivery prior to the dates such forms must be approved under this rule.~~
2. Except as provided in ~~A.C.R.R. R20-6-212~~ R20-6-210, no other rule of this state setting language simplification standards shall apply to any policy forms.

E. C. Minimum policy language simplification standards.

1. In addition to any other requirements of law, ~~no a policy forms form~~, except as stated in subsection (D), shall not be delivered or issued for delivery in this state on or after the dates ~~such the forms must shall~~ be approved under this ~~rule~~ Section unless:
 - a. The text achieves a minimum score of 40 on the Flesch reading ease test or an equivalent score on any other comparable test as provided in ~~paragraph (3) of this subsection (E)(3);~~
 - b. It is printed, except for specification pages, schedules and tables, in not less than 10 point type, one point leaded;
 - c. The style, arrangement and overall appearance of the policy give no undue prominence to any portion of the text of the policy or to any endorsements or riders; and
 - d. It contains a table of contents or an index of the principal sections of the policy, if the policy has more than 3,000 words printed on ~~3 three~~ or fewer pages of text, or if the policy has more than ~~3 three~~ pages regardless of the number of words.
2. ~~For the purposes of this subsection, a~~ An insurer shall measure a Flesch reading ease test score ~~shall be measured by the following method as follows:~~
 - a. For policy forms containing 10,000 words or less of text, ~~an insurer shall analyze~~ the entire form ~~shall be analyzed~~. For policy forms containing more than 10,000 words, ~~an insurer may analyze~~ the readability of two 200-word samples per page ~~may be analyzed~~ instead of the entire form. ~~The samples shall be separated~~ insurer shall separate the samples by at least 20 printed lines.
 - b. ~~The number of words and sentences in the text shall be counted and the total number of words divided by the total number of sentences. The figure obtained shall be multiplied~~ The insurer shall count the number of words and sentences in the text then divide the total number of words by the total number of sentences, then multiply that figure by a factor of 1.015.
 - c. ~~The total number of syllables shall be counted and divided by the total number of words. The figure obtained shall be multiplied~~ The insurer shall count and divide the total number of syllables by the total number of words, then multiply that figure by a factor of 84.6.
 - d. The sum of the figures computed under subsections (b) and (c) subtracted from 206.835 equals the Flesch reading ease score for the policy form.
 - e. ~~For purposes of subparagraphs~~ subsections (b), (c), and (d), the insurer shall use the following procedures ~~shall be used:~~
 - i. A contraction, hyphenated word, or numbers and letters, when separated by spaces, shall be counted as ~~1 one~~ one word;
 - ii. A unit of words ending with a period, semicolon, or colon, but excluding headings and captions, shall be counted as a sentence, and
 - iii. A syllable means a unit of spoken language consisting of ~~1 one~~ one or more letters of a word as divided by an accepted dictionary. Where the dictionary shows ~~2 two~~ or more equally acceptable pronunciations of a word, the pronunciation containing fewer syllables may be used.
 - f. The term "text" as used in this subsection shall include all printed matter except the following:
 - i. The name and address of the insurer; the name, number or title of the policy, the table of contents or index, captions and subcaptions; specification pages, schedules or tables; and
 - ii. ~~Any policy~~ Policy language ~~which is~~ drafted to conform to the requirements of ~~any a~~ federal law, regulation, or agency interpretation; ~~any~~ policy language required by ~~any a~~ collectively bargained agreement; ~~any~~

Notices of Proposed Rulemaking

medical terminology, any words which are defined in the policy, and any policy language required by law or regulation; provided, however, the insurer identifies the language or terminology excepted by this ~~subdivision subsection (ii)~~ and certifies, in writing, that the language or terminology is entitled to be excepted by this ~~subdivision subsection~~.

3. Any other reading test may be approved by the Director for use as an alternative to the Flesch reading test if it is comparable in result to the Flesch reading ease test.
4. Filings subject to this subsection shall be accompanied by a certificate signed by an officer of the insurer stating that it meets the minimum reading ease score on the test used or stating that the score is lower than the minimum required but should be approved ~~in accordance with~~ under subsection (G) of this ~~rule Section~~. To confirm the accuracy of any certification, the Director may require the submission of further information to verify the certification in question.
5. At the option of the insurer, riders, endorsements, applications and other forms made a part of the policy may be scored as separate forms or as part of the policy with which they may be used.

~~F. Construction. Nothing in this rule shall be construed to negate any law of this state permitting the issuance of any policy form after it has been on file for the time period specified.~~

~~GD. Powers of the Director. The Director may authorize a lower score than the Flesch reading ease score required in subparagraph subsection (E)(1)(a) whenever, in his sole discretion, he finds that if a lower score:~~

1. ~~Will provide~~ Provides a more accurate reflection of readability of a policy form;
2. Is warranted by the nature of a particular policy form or type or class of policy forms; or
3. Is caused by certain policy language which is drafted to conform to the requirements of any state law, regulation or agency interpretation.

~~H. Effective dates. Except as provided in subsection (D), this rule applies to all policy forms filed on or after January 1, 1982. No new policy form shall be delivered or issued for delivery in this state on or after January 1, 1982, unless it has been filed pursuant to A.R.S. § 20-1110 and is in compliance with this rule. All other policy forms which have been approved or permitted to be issued prior to January 1, 1982, shall meet the standards set by this rule by January 1, 1984.~~

~~R20-6-217R20-6-214. Expired Coordination of Benefits~~

~~A. Applicability.~~

1. This ~~rule Section~~ applies to all group disability insurance policies, group subscriber contracts of hospital and medical service corporations and of health care services organizations, and group disability policies of benefit insurers, as well as such group type contracts as are not available to the general public and can be obtained and maintained only because of the covered person's membership in or connection with a particular organization or group which ~~that~~ contain a coordination of benefits provision. Group type contracts answering this description are included whether denominated as "franchise" or "blanket" or some other designation.
2. This ~~rule Section~~ does not apply to:
 - a. Individual or family policies or individual or family subscriber contracts except as provided for in ~~paragraph subsection (A)(1) above;~~
 - b. Group or group-type hospital indemnity benefits (written on a non-expense incurred basis) of \$30 per day or less unless they are characterized as reimbursement type benefits but are designed or administered ~~so as~~ to give the insured the right to elect indemnity type benefits, ~~in lieu~~ instead of ~~such~~ the reimbursement type benefits, at time of claim; ~~or~~
 - c. School accident type coverages, written on either a blanket, group, or franchise basis.

~~B. Definitions.~~

1. "Allowable expense" means any necessary, reasonable and customary item of expense, at least a portion of which is covered under one or more of the plans covering the person for whom claim is made or service provided.
 - a. When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered ~~shall be~~ is deemed to be both an allowable expense and a benefit paid.
 - b. A plan which ~~that~~ takes "Medicare" or similar government benefits into consideration when determining the application of its coordination of benefits provision does not expand the definition of an allowable expense.
2. "Claim determination period" means an appropriate period of time such as "calendar year" or "benefit period" as defined in the policy.
3. "Plan" within the coordination of benefits provisions of a group policy or subscriber contract means the types of coverage which the insurer may consider in determining whether overinsurance exists with respect to a specific claim.
4. "School accident type coverages" means coverage ~~covering~~ of grammar school and high school students for accidents only, including athletic injuries, either on a 24-hour basis or "to-and-from school," for which the parent pays the entire premium.

~~C. Order of benefit determination.~~

1. When a claim under a plan with a coordination of benefit provision involves another plan which ~~that~~ also has a coordination of benefit provision, the ~~insurer shall~~ order of benefit determination ~~shall be made~~ as follows:
 - a. The benefits of a plan that covers the person claiming benefits other than as a dependent shall be determined

before those of the plan ~~which that~~ covers the person as a dependent.

- b. The benefits of a plan of a parent whose birthday occurs earlier in a calendar year shall cover a dependent child before the benefits of a plan of a parent whose birthday occurs later in a calendar year. The word "birthday" as used in this ~~paragraph subsection~~ refers only to month and day in a calendar year, not the year in which the person was born.
 - c. If two or more plans cover a person as a dependent child of divorced or separated parents, benefits for the child are determined in ~~this the following~~ order:
 - i. ~~first First~~, the plan of the parent with custody of the child;
 - ii. ~~then Then~~, the plan of the spouse of the parent with custody of the child; and
 - iii. ~~finally Finally~~, the plan of the parent not having custody of the child.
 - d. Notwithstanding ~~paragraph subsection~~ (c) above, if the specific terms of a court decree state that one of the parents is responsible for the health care expenses of the child, and the entity obligated to pay or provide the benefits of the plan of that parent has actual knowledge of those terms, the benefits of that plan are determined first.
2. The benefits of a plan ~~which that~~ covers a person as an employee (or as that employee's dependent) are determined before those of a plan ~~which that~~ covers that person as a laid-off or retired employee (or as that employee's dependent). If the other plan does not have this provision and if, as a result, the plans do not agree on the order of benefits, this ~~paragraph shall not subsection does~~ apply.
 3. If none of the provisions of subsection (C) determines the order of benefits, the benefits of the plan ~~which that~~ covered a claimant longer are determined before those of the plan ~~which that~~ covered that person for the shorter time.
 4. If one of the plans is issued out of this state and determines the order of benefits based upon the gender of a parent and, as a result, the plans do not agree on the order of benefits, the plan with the gender rule shall determine the order of benefits.

D. Excess and other nonconforming provisions.

1. A plan with an order of benefit determination provision ~~which that~~ complies with this rule, ~~herein called Section~~, a complying plan, may coordinate its benefits with a plan ~~which that~~ is "excess" or "always secondary" or ~~which that~~ uses an order-of-benefit determination provision ~~which that~~ is inconsistent with ~~that contained in this rule Section~~, ~~herein called~~, a noncomplying plan, on the following basis:
 - a. If the complying plan is the primary plan, it shall pay or provide its benefits on a primary basis.
 - b. If the complying plan is the secondary plan, it shall, ~~nevertheless~~, pay or provide its benefits first, as the secondary plan. ~~In such a situation, such~~ The payment shall be the limit of the complying plan's liability, except as provided in ~~subparagraph subsection~~ (d).
 - c. If the noncomplying plan does not provide the information needed by the complying plan to determine its benefits within a reasonable time after it is requested to do so, the complying plan shall assume that the benefits of the noncomplying plan are identical to its own, and shall pay its benefits accordingly. ~~However, the~~ The complying plan ~~must shall~~ adjust any payments it makes based on ~~such the~~ assumption whether information becomes available as the actual benefits of the noncomplying plan.
 - d. If the noncomplying plan pays benefits so that the claimant receives less in benefits than ~~he or she~~ the claimant would have received had the noncomplying plan paid or provided its benefits as the primary plan, then the complying plan shall advance to or on behalf of the claimant an amount equal to ~~such the~~ difference, ~~which~~ The advance shall not include a right to reimbursement from the claimant.

E. Severability. ~~If any provision of this rule or the application thereof to any person or circumstances is held invalid, the remainder of the rule and the application of such provision to other persons and circumstances shall not be affected.~~