

Senate Engrossed

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

State of Arizona  
Senate  
Fiftieth Legislature  
Second Regular Session  
2012

CHAPTER 12

# **SENATE BILL 1016**

AN ACT

AMENDING SECTIONS 23-986 AND 23-1062, ARIZONA REVISED STATUTES; RELATING TO WORKERS' COMPENSATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 23-986, Arizona Revised Statutes, is amended to  
3 read:

4 23-986. Applicability of title 20 to fund; exemption of other  
5 statutory provisions; insufficient assets; insurance  
6 director duties

7 A. Unless otherwise provided by law, title 20 and the rules adopted by  
8 the director of insurance relating to the transaction of insurance apply to  
9 the state compensation fund to the same extent as any mutual casualty insurer  
10 authorized to write workers' compensation insurance in this state.

11 B. The marketing representatives of the state compensation fund shall  
12 obtain a license from the director of insurance. ~~The marketing~~  
13 ~~representatives of the state compensation fund may not be licensed to sell~~  
14 ~~any other type of insurance other than workers' compensation insurance.~~

15 C. If upon examination pursuant to section 20-156, or at any other  
16 time, it is the opinion of the director of insurance that the state  
17 compensation fund is not possessed of assets at least equal to all  
18 liabilities and required reserves together with the minimum required basic  
19 surplus and free surplus required of a mutual casualty insurer by title 20,  
20 or that its condition is such as to render the continuance of its business  
21 hazardous to the public or to the holders of its policies or certificates of  
22 insurance, the director of insurance shall do both of the following:

23 1. Notify the manager and chairman of the board of directors of the  
24 director's determination.

25 2. Furnish the state compensation fund with a written list of the  
26 director's recommendations to abate the director's determination.

27 D. The state compensation fund has sixty days from the date of notice  
28 within which to comply with the recommendations of the director of insurance.  
29 If the state compensation fund fails to comply within such time, the director  
30 of insurance shall notify the governor, the president of the senate and the  
31 speaker of the house of representatives of the recommendations of the  
32 director of insurance which were not complied with by the state compensation  
33 fund.

34 E. The operations, transactions and affairs of the state compensation  
35 fund are exempt from the following provisions:

36 1. Title 35.

37 2. Title 38, chapter 4.

38 3. Title 39, chapter 1, article 1.

39 4. Title 41, chapter 1, article 2.1.

40 5. Title 41, chapter 3.1.

41 6. Title 41, chapter 4.

42 7. Title 41, chapter 39.

1           Sec. 2. Section 23-1062, Arizona Revised Statutes, is amended to read:  
2           23-1062. Medical, surgical, hospital benefits; commencement of  
3                 compensation; method of compensation

4           A. Promptly, upon ON notice to the employer, every injured employee  
5 shall receive medical, surgical and hospital benefits or other treatment,  
6 nursing, medicine, surgical supplies, crutches and other apparatus, including  
7 artificial members, reasonably required at the time of the injury, and during  
8 the period of disability. Such benefits shall be termed "medical, surgical  
9 and hospital benefits."

10           B. The first installment of compensation is to be paid no later than  
11 the twenty-first day after written notification by the commission to the  
12 carrier of the filing of a claim except where the right to compensation is  
13 denied. Thereafter, compensation shall be paid at least once each two weeks  
14 during the period of temporary total disability and at least monthly  
15 thereafter. Compensation shall not be paid for the first seven days after  
16 the injury. If the incapacity extends beyond the period of seven days,  
17 compensation shall begin on the eighth day after the injury, but if the  
18 disability continues for one week beyond such seven days, compensation shall  
19 be computed from the date of the injury.

20           C. Compensation shall be made by negotiable instrument, payable  
21 immediately upon ON demand OR, AT THE ELECTION OF THE EMPLOYEE AND IF OFFERED  
22 BY THE EMPLOYER OR CARRIER, BY ANOTHER COMMONLY ACCEPTED METHOD FOR  
23 TRANSFERRING MONEY BY BANKING INSTITUTIONS, INCLUDING ELECTRONIC FUND  
24 TRANSFERS TO THE EMPLOYEE'S ACCOUNT OR A PREPAID DEBIT CARD ACCOUNT THAT IS  
25 ESTABLISHED FOR THE PURPOSE OF MAKING DIRECT ELECTRONIC PAYMENT TO THE  
26 EMPLOYEE.

APPROVED BY THE GOVERNOR MARCH 13, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 13, 2012.

Passed the House March 8, 2012,

by the following vote: 56 Ayes,

0 Nays, 4 Not Voting

[Signature]  
Speaker of the House

Cheryl Laube  
Chief Clerk of the House

Passed the Senate January 19, 2012,

by the following vote: 28 Ayes,

0 Nays, 1 Not Voting

[Signature] [Signature]  
President of the Senate

Charmine Bellington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

9<sup>th</sup> day of March, 2012,

at 8:33 o'clock A M.

[Signature]  
Secretary to the Governor

Approved this 13<sup>th</sup> day of

March, 2012,

at 10:08 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 13<sup>th</sup> day of March, 2012,

at 3:16 o'clock P M.

[Signature]  
Secretary of State

S.B. 1016