

House Engrossed Senate Bill

FILED

**MICHELE REAGAN
SECRETARY OF STATE**

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

**CHAPTER 267
SENATE BILL 1331**

AN ACT

AMENDING SECTION 20-359, ARIZONA REVISED STATUTES; RELATING TO WORKERS'
COMPENSATION RATE FILINGS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

8 1. ~~A~~ UP TO SIX uniform percentage DEVIATIONS THAT decrease or
9 increase ~~to be applied to~~ the statewide rate portion of the rating
10 organization's rate filing. IF MORE THAN ONE DEVIATION IS FILED BY AN
11 INSURER, EACH DEVIATION MUST BE ESTABLISHED CONSISTENT WITH THE
12 UNDERWRITING RULES THAT ARE BASED ON CRITERIA THAT WOULD LEAD TO A LOGICAL
13 DISTINCTION OF POTENTIAL RISK.

14 2. A subclassification rate related rule that deviates from the
15 rules or schedule rating plan filed by the insurer's rating organization.
16 An insurer shall not apply a deviation and a schedule rating plan within
17 the same insurance company.

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

33 C. A rating organization shall notify the director if the
34 organization disapproves any deviation relating to workers' compensation
35 insurance. The director shall notify the industrial commission of the
36 disapproval within ten days ~~of~~ AFTER receipt of the disapproval from the
37 rating organization.

APPROVED BY THE GOVERNOR MAY 2, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 2, 2017.

Passed the House April 17, 2017,

Passed the Senate February 16, 2017,

by the following vote: 58 Ayes,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting
1 Vacant
[Signature]
Speaker of the House
[Signature]
Chief Clerk of the House

0 Nays, 1 Not Voting
[Signature]
President of the Senate
[Signature]
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR
This Bill was received by the Governor this
_____ day of _____, 20____,
at _____ o'clock _____ M.

Secretary to the Governor~~

~~Approved this _____ day of
_____, 20____,
at _____ o'clock _____ M.

Governor of Arizona~~

S.B. 1331

~~EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE
This Bill was received by the Secretary of State
this _____ day of _____, 20____,
at _____ o'clock _____ M.

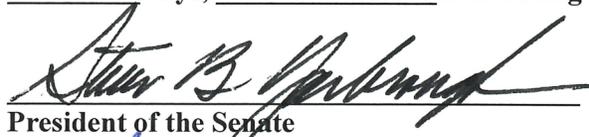
Secretary of State~~

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 26, 2017

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting


President of the Senate

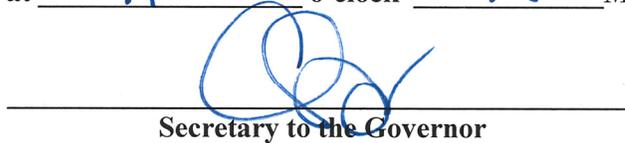

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

26th day of April, 2017

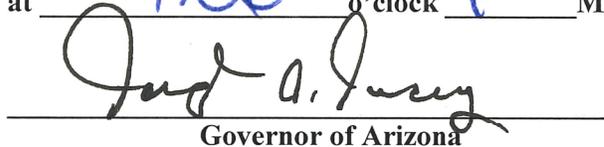
at 11:57 o'clock A. M.


Secretary to the Governor

Approved this 2nd day of

May 2017

at 4:06 o'clock P M.


Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 2 day of May, 2017

at 4:57 o'clock P M.


Secretary of State