



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

March 16, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on March 16, 2018:

HB 2013 trust companies; liquid capital; definition (Finchem)
HB 2019 civil rights advisory board; continuation (Kern)
HB 2025 workers' compensation; rate deviations (Livingston)
HB 2026 county school superintendent; services; entities (Boyer)
HB 2043 occupational therapy board; continuation (Carter)
HB 2061 financial institutions department; superintendent duties (Shope)
HB 2079 single axle tow dolly; definition (Shope)
HB 2098 insurance; inducements (Livingston)
HB 2115 bonds; ballot language; procedures (Mitchell)
HB 2150 manufactured home sales; licensure; exemption (Weninger)
HB 2178 secretary of state; notary public (Coleman)
HB 2278 child support rights transfer (Cobb)
HB 2317 disability plates; permanent placards (John)
HB 2413 public road maintenance; primitive designation (Cook)
HB 2484 local food tax; equality (Shope)
SB 1038 state land sales; payment method (Griffin)
SB 1042 backflow prevention; state fire code (Kavanagh)
SB 1057 county school superintendent; report; approval (Burgess)
SB 1072 DCS; contractor employees; fingerprint requirement (Brophy McGee)

SB 1076 assault; public safety contractors; workers (Barto)
SB 1082 full-day kindergarten; instruction requirements (Allen, S.)
SB 1089 purple heart day (Borrelli)
SB 1205 unemployment insurance; educational employers; interest (Fann)
SB 1207 lease authority; airports; air terminals (Pratt)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive style with a large, prominent initial "D".

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 5

HOUSE BILL 2025

AN ACT

AMENDING SECTION 20-359, ARIZONA REVISED STATUTES; RELATING TO TRANSACTION OF INSURANCE BUSINESS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 20-359, Arizona Revised Statutes, is amended to
3 read:

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

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

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

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

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

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

37 Sec. 2. Retroactivity

38 Section 20-359, Arizona Revised Statutes, as amended by this act,
39 applies retroactively to workers' compensation insurance rate filings made
40 by an insurer or an insurance rating organization from and after
41 February 28, 2018.

APPROVED BY THE GOVERNOR MARCH 16, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 16, 2018

Passed the House January 29, 20 18

Passed the Senate March 13, 20 18

by the following vote: 59 Ayes,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

0 Nays, 1 Not Voting

U. R. Boyer, Jr.
Speaker of the House

Steven B. Montenegro
President of the Senate

Pro Tempore

Jim Drake
Chief Clerk of the House

Susann Owens
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

14th day of March, 20 18

at 2:57 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 16th day of

March 2018

at 9:37 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 16th day of March, 20 18

at 12:19 o'clock P. M.

[Signature]
Secretary of State

H.B. 2025