



State or Federal Issues Contacts: Please refer to the list of State Relations Executives at the end of this report.

LEGISLATIVE ACTIVITY—LEGISLATIVE SESSION UPDATES

This report includes descriptions and/or excerpts of relevant bills that passed the first chamber, passed the second chamber, or were enacted during the specific periods. In addition, a recap of significant legislative and judicial activity impacting the workers compensation system is included in the first report published each month. This report is issued on a weekly basis throughout the legislative season and provides updates on the content of these bills if and when they progress through the legislative process. This report covers bills from states where NCCI provides ratemaking services (see state list under Contact Information) and the US Congress.

BILLS ENACTED

There were no relevant workers compensation-related bills enacted within the one-week period ending February 2, 2018.

BILLS PASSING SECOND CHAMBER

There were no relevant workers compensation-related bills that passed the second chamber within the one-week period ending February 2, 2018.

BILLS PASSING FIRST CHAMBER

The following workers compensation-related bills passed the first chamber within the one-week period ending February 2, 2018.

Arizona

HB 2025 amends **section 20-359. Deviations from filed workers' compensation rates** of the Arizona Revised Statutes as follows:
20-359. Deviations from filed workers' compensation rates

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

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

2. A subclassification rate related rule that deviates from the rules or schedule rating plan filed by the insurer's rating organization. An insurer shall not simultaneously apply a deviation and a schedule rating plan within to the insurance company insured risk.

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

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

Sec. 2. Retroactivity

HB 2025 also includes the following clause:

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

Idaho

HB 366 amends *section 72-205. Public Employment Generally—Coverage* of the Idaho Worker’s Compensation Law to read as follows:

72-205. Public Employment Generally—Coverage. The following shall constitute employees in public employment and their employers subject to the provisions of this law:

...

(9) A work experience student, as that term is defined in section 72-102, Idaho Code, who does not receive wages while participating in the school’s work experience program shall be covered by the school district’s policy or by the Idaho higher education policy when the work experience student is not covered by the private or governmental entity that is the student’s work experience employer.

Indiana

SB 290 adds to and amends various provisions of the Indiana Labor and Safety code to:

- Establish a time frame for the payment of compensation under a settlement agreement, a permanent partial impairment agreement, and an award of compensation ordered by a single hearing member of the Worker’s Compensation Board (board)
- Provide that an employer that fails to make a timely payment is subject to a civil penalty
- Require an employer that has mobile or remote employees to convey information about workers compensation coverage to the employer’s employees in an electronic format or in the same manner as the employer conveys other employment-related information
- Allow the electronic filing of certain documents with the board
- Provide that a permanently, totally disabled worker must reapply to the Second Injury Fund for a wage replacement benefit every three years instead of every 150 weeks
- Require the reporting of workplace injuries needing medical attention beyond first aid instead of injuries causing an absence from work for more than one day
- Provide that reporting requirements for workplace injuries are intended to be consistent with the recording requirements set out in the United States Occupational Safety and Health Administration’s regulations
- Change the civil penalty for an employer’s failure to provide proof of workers compensation coverage from \$50 per employee to \$100 per day
- Revise the definition of employer to include corporations, limited liability companies, limited liability partnerships, and other entities that have common control and ownership
- Make conforming amendments for occupational diseases compensation
- Urge the Legislative Council to assign to an appropriate interim study committee the task of studying increases to the benefit schedules for workers compensation and workers compensation occupational diseases compensation

Mississippi

SB 2311, in part, amends *section 71-3-77. Insurance policy regulations* of the Mississippi Worker’s Compensation Law to read as follows:

§ 71-3-77. Insurance policy regulations

(1) Every contract for the insurance of the compensation herein provided, or against liability therefor, shall be deemed to be made subject to the provisions of this chapter, and provisions thereof inconsistent with this chapter shall be void. Such contract shall be allowed to offer deductibles on all liability of the assured under and according to the provisions of this chapter, notwithstanding any agreement of the parties to the contrary. However, the payments of the claims, including the deductible amounts, shall be made directly from the insurance company to the employee, except for medical benefits which shall be paid to the medical provider. A copy of such payments shall be forwarded to the employer. The insurance company shall collect the deductible from the employer as shall be provided in the contract between the employer and the insurer. No such policy shall be subject to nonrenewal, or cancelled by the insurer within the policy period, until a notice in writing shall be given to the commission and to the insured, fixing the date on which it is proposed to cancel it or declaring that the company does not intend to renew the policy upon expiration date. Notice to the insured shall be served personally or by registered or certified mail. Notice to the commission shall be provided in such manner and on such form as the commission may prescribe or direct. No such cancellation or nonrenewal shall be effective until thirty (30) days after the service of such notice on the insured and the provision of notice to the commission, unless the employer has obtained other insurance coverage, in which case such policy shall be deemed cancelled as of the effective date of such other insurance, whether or not such notice has been given. The notice requirements of this section shall not apply when a replacement policy form providing the same or substantially similar coverage is issued by the same insurer, or when transfer of an insured to a licensed affiliate providing the same or substantially similar coverage occurs. Whenever a replacement policy form providing the same or substantially similar coverage is issued by the same insurer, or when a transfer of an insured to a licensed affiliate of the insurer providing the same or substantially similar coverage occurs, documents signed by the insured are applicable to the replacement policy and to coverage being transferred, and remain valid and enforceable.

The insured may also cancel such a policy on the day that the insured either (a) returns the policy to the agent, or (b) signs and delivers to the agent a “lost policy release.” If the insured desires to cancel a policy before the policy has become effective, he may cancel the policy by written notice of cancellation to the agent or company without return of the policy or a release.

Whenever a replacement policy form providing the same or substantially similar coverage is issued by the same insurer, or by a licensed affiliate insurer, such insurer shall mail or deliver to the policyholder, at least thirty (30) days in advance of the effective date of renewal, written notice of any terms or conditions that are less favorable to the policyholder.

A transferring insurer shall notify the Mississippi Insurance Department and the Mississippi Workers’ Compensation Commission at least forty-five (45) days in advance of notifying a policyholder that its personal or commercial lines insurance policies will be transferred to another licensed insurer within the same insurance group or same holding company. The notice shall include the name of insurer transferring the personal or commercial lines policies and the name and financial rating of the insurer receiving the transferred personal or commercial lines policies.

A transferring insurer shall provide the policyholder written notice of the policy transfer at least thirty (30) days prior to expiration of the policy term and shall include the financial rating of the insurer receiving the transferred policy. Such notice must be provided to the policyholder with the notice of renewal premium at least thirty (30) days before the effective date of the transfer.

...

(3) As used in this section:

(a) “Affiliate transfer” is when an insurer transfers, at renewal or policy expiration, its personal or commercial lines insurance policies to an affiliated licensed insurer that is a member of the same insurance group or same holding company as the transferring insurer. The issuance of a replacement policy form providing the same or substantially similar coverage issued by the same insurer, or the transfer of personal or commercial insurance policies to a licensed affiliate insurer that will issue the same or substantially similar policy, are considered a renewal and will not be treated as a cancellation or nonrenewal. The affiliate transfer must be to a licensed affiliate insurer that has been determined by the commissioner to have the same or better financial strength as the transferring insurer. The policy transfer must be selected on a nondiscriminatory basis.

(b) “Substantially similar” means a policy that provides the same basic coverages but may add, alter or eliminate incidental coverages and may provide coverages using different textual language.

Contact Information

If you have any questions about the legislation or proposals mentioned, please contact the appropriate NCCI state relations executive (listed below) or a representative of your local insurance trade association.

State	State Relations Executive	Phone Number
IN, NC, SC, TN	Amy Quinn	803-356-0851
MO, NE, NV, OK, SD	Carla Townsend	314-843-4001
HI	Carolyn Pearl	808-524-6239
AZ, IA, KS, KY	Clarissa Preston	561-945-4517
DC, MD, VA, WV	David Benedict	804-380-3005
FL	Dawn Ingham	561-893-3165
CT, ME, NH, RI	Justin Moulton	860-969-7903
VT	Laura Backus Hall	802-454-1800
AL, GA, LA, MS	Laura Hart Bryan	225-618-8168
AK, CO, NM, UT	Maggie Karpuk	818-707-8374
AR, IL, TX	Terri Robinson	501-333-2835
Federal Issues	Tim Tucker	202-403-8526
ID, MT, OR	Todd Johnson	503-892-8919

This report is informational and is not intended to provide an interpretation of state and federal legislation.