

NCCI WCIP STATE INSTRUCTIONS

Use the state chart below along with the ACORD® Forms Instruction Guide for completing the ACORD® 133 Workers Compensation Insurance Plan Assigned Risk section and ACORD®130 Workers Compensation Application. For questions relating to the Plan, please refer to Rule 4 of NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance**, NCCI's **Basic Manual User's Guide** (National pages), and NCCI's **Assigned Risk Supplement**, or contact NCCI's Customer Service Center at 800-NCCI-123 (800-622-4123).

ARIZONA			
Estimated Annual Premium	Minimum Deposit %	Premium Installment Basis	Number of Refusers: Two nonaffiliated carriers; one must be the current carrier, if applicable.
Under \$2,500	100%	Annual	Effective Date: The later of the following options: <ul style="list-style-type: none"> 12:01 a.m. on the date following receipt by the Plan Administrator of a complete and eligible application The date of expiration of existing coverage A date the applicant requests If an eligible application and check are sent via US mail, coverage will be bound at 12:01 a.m. on the day following the postmark on the envelope or the expiration of existing coverage. For effective date determination, a private postage meter mark will not be accepted, and only a US Postal Service postmark affixed to the envelope will be accepted by the Plan Administrator as a valid postmark.
At least \$2,500	75%	Semiannual	
At least \$10,000	50%	Quarterly	
At least \$25,000	25%	Monthly	
Additional premium installments must be made in equal amounts, the sum of which, when added to the deposit premium, must equal 100% of the estimated annual premium. Estimated annual premium and the premium installment schedule are subject to adjustment at preliminary, interim, and/or final audit(s) or when an endorsement is issued. At policy inception, the employer may request a higher minimum deposit percentage, but may not select a deposit percentage lower than the otherwise applicable minimum stated in the deposit and premium installment table.			
The deposit and premium installment table is followed by all assigned carriers. However, the assigned carrier, based on sound underwriting practices, may make appropriate changes to the governing state's premium installment basis that the employer selected. The assigned carrier must provide the reason(s) for such change(s) to the employer and will appropriately document the file.			
Minimum Premium Policies The deposit premium for a minimum premium policy is 100% of the estimated annual premium. Minimum premium policies must be paid in full and are not eligible for premium installments.			
Short-Term Policies The deposit premium for short-term policies with a duration of six months or less is 100% of the estimated premium. The estimated premium is based on the estimated payroll for the policy period, unless otherwise approved by the Plan Administrator.			
For any dispute concerning the change of an employer's payment basis, refer to Basic Manual Rule 4-A-10.			
Application Submission Options: <ul style="list-style-type: none"> Online—Applications may be submitted via NCCI's website at ncci.com. To enroll for access to this free service, contact NCCI's Customer Service Center at 800-NCCI-123 or at customer_service@ncci.com. Telephone—Applications may be submitted by contacting NCCI's Customer Service Center at 800-NCCI-123. Mail—Applications may be submitted via the US Postal Service or private overnight delivery service to the address provided below. Note: Under Arizona law, an out-of-state agent/producer is required to have an Arizona resident or nonresident license to submit an application to NCCI for primary coverage.			
Voluntary Coverage Assistance Program (VCAP® Service): NCCI's VCAP® Service applies to all employers seeking coverage through the residual market in which NCCI is the Plan Administrator, and is offered through NCCI's Residual Market Application Processing System (RMAPS® Online Application Service). Through this free, Internet-based application, voluntary coverage providers have the opportunity to evaluate potential employers that submit applications through the residual market. All assigned risk applications (electronic, phone-in, or mail-in) submitted to NCCI as Plan Administrator are processed through VCAP® Service to determine if they match the preselected criteria specified by a participating voluntary coverage provider. Refer to NCCI's Basic Manual Rule 4-D—Voluntary Coverage Assistance Program (VCAP® Service) for the applicable rules.			
Loss Sensitive Rating Plan: The Loss Sensitive Rating Plan (LSRP) is a mandatory assigned risk retrospective rating plan for those employers that have a workers compensation and employers liability insurance policy(ies) with an LSRP standard premium that equals or exceeds \$250,000 (effective 1/1/13 in Arizona). In addition to the WCIP initial or deposit premium, employers qualifying for the LSRP are required to submit an LSRP contingency deposit to the assigned carrier. The LSRP contingency deposit is calculated by multiplying the LSRP standard premium by 20%. Subject to certain conditions, the LSRP contingency deposit may be paid by Automated Clearing House/Electronic Funds Transfer (ACH/EFT), credit card, personal or business check, or an Irrevocable Letter of Credit (ILOC). Refer to NCCI's Basic Manual Rule 4-C—Loss Sensitive Rating Plan (LSRP) for the applicable rules.			
Guide to Premium Calculation (for detailed information, refer to Arizona State Special Rules in NCCI's Basic Manual): <ul style="list-style-type: none"> Experience modification, if applicable Assigned Risk Adjustment Program (ARAP) factor, if applicable, applies to modified premium with a maximum surcharge of 1.25 Alcohol- and Drug-Free Workplace Premium Credit, if applicable 			
Election/Rejection Under State Law: Sole proprietors and working partners are not automatically covered, but may elect coverage. Attach to the application a written notice clearly stating the intent to elect coverage. Payroll must be included for any sole proprietor or working partners electing coverage. Members of a limited liability company are treated as corporate officers for premium determination purposes in Arizona. Members are			

automatically covered, but may elect to reject coverage. A form notice rejecting coverage is available on the Industrial Commission of Arizona's webpage. Attach to the application a copy of the member's rejection of coverage. Payroll must be excluded for any members of a limited liability company rejecting coverage.

Working Members of a Limited Liability Company

A working member of a limited liability company who owns less than 50% of the membership interest in the limited liability company is considered an employee.

A working member of a limited liability company who owns 50% or more of the membership interest in the limited liability company may be covered on the written acceptance, by endorsement, of an application for coverage by the working member.

Working Shareholders of a Corporation

A working shareholder of a corporation who owns less than 50% of the beneficial interest in the corporation is considered an employee.

A working shareholder of a corporation who owns 50% or more of the beneficial interest in the corporation may be covered on the written acceptance, by endorsement, of an application for coverage by the working shareholder.

Corporate officers are automatically covered, but may reject coverage by providing written notice, in duplicate, to his employer, which the employer will provide to the carrier. A form notice rejecting coverage is available on the Industrial Commission of Arizona's webpage. Attach to the application a copy of the officer's rejection of coverage. Payroll must be excluded for any corporate officers rejecting coverage.

Failure to file any applicable forms/notices for election or rejection of coverage in accordance with state laws may result in additional premium being charged and collected by the Plan Administrator or the assigned carrier.

Volunteers

The following volunteer workers are automatically covered under the Act:

- Firemen
- Policemen
- Department of public safety reserve members
- Sheriff's reserve members
- Certified ambulance drivers and attendants
- Search or rescue personnel
- Volunteer of a licensed healthcare institution (upon written acceptance by the insurer of an application by the healthcare institution)
- Emergency management personnel
- Game and fish department reserve members
- Capitol police reserve members

Volunteer workers of a county, city, town, or other political subdivision are not automatically covered under the Act, but the county, city, town, or other political subdivision may elect coverage by passing a resolution or ordinance defining the nature and type of volunteer work and workers to be entitled to such benefits.

Refer to the Department of Labor at www.ica.state.az.us for the most current rules, regulations, and forms.

Note: This information applies only to Arizona. If additional states are to be covered, additional action may be necessary under applicable state law.

Employee Leasing:

IMPORTANT: Before completing Professional Employer Organization (PEO)/Employee Leasing Arrangement applications, refer to the Arizona state rule exceptions in NCCI's *Basic Manual* Rule 3-D—Employee Leasing Arrangements for the applicable rules. Obtain forms from NCCI.

The leased workers provided to each client by the employee leasing company must be written under a separate workers compensation insurance policy. The separate policy must contain the name of the labor contractor as the named insured with reference to the name of the client. For example, the named insured should read, "ABC Labor Contractor, for leased workers to XYZ Client."

Separate policies may be issued to the employee leasing company's direct employees and each client's nonleased (direct) workers.

Submit Application via Regular Mail to:	NCCI Attn: Treasury Department PO Box 3045 Boca Raton, FL 33431	Send Correspondence to:	NCCI Customer Service Center 901 Peninsula Corporate Circle Boca Raton, FL 33487-1362 Phone: 800-622-4123 Fax: 561-893-1191
Submit Application via Overnight Delivery to:	NCCI Attn: Treasury Department 901 Peninsula Corporate Circle Boca Raton, FL 33487-1362		