

iiabaz

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2023 BULLETIN

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TO: IIBAZ of Arizona Members
IIBAZ of Arizona Associate Members

FROM: Terri S. Edwards, CIC, CISR
Executive Vice President

RE: Arizona's Workers Compensation Assigned Risk Program Commission Requirements

Recently we have received a few inquiries regarding the Workers Compensation Assigned Risk Program and commissions. Something that is unique to the Arizona Workers Compensation marketplace is that agents must submit rejections from two standard markets **every year** that the policy remains in the Assigned Risk program in order to receive commissions.

Here is a copy and paste of an excerpt from the Arizona Residual Market Manual of the rule:

Obligations of producers and agencies to return fees to the assigned carrier

Rule ID: RM-PFEE-OE378

Effective Date: November 1, 2021

Producers and/or agencies must return fees to the assigned carrier in a timely manner when return premiums are generated.

The fee payment may also be applied to return fees that the producer and/or agency may owe to the carrier from other residual market policies for that agency.

Except where allowed by state law, the producer may not deduct the producer fee when sending in the deposit or a payment. The assigned carrier forwards the fee as appropriate.

In the case of renewals, no fee will be payable to the producer when the producer has failed to provide satisfactory evidence of its efforts to secure insurance in a regular manner.

Note The assigned carrier may be required to report the producer and/or agency to the appropriate regulatory authority(ies) if return fees are not paid as billed by the assigned carrier.

It is important to have the standard market rejections submitted to the appropriate marketplace approximately 30 days prior to the expiration of the policy in question.

Thank you for allowing your Association to be of service to you.