

COMPLIANCE

1. What is the function of the Compliance Unit?

The Compliance Unit identifies, investigates, and recommends action in matters involving employers that do not comply with A.R.S. § 23-961(A).

2. Which employers are required to carry workers' compensation insurance?

Generally, all employers who have at least one employee are required to have workers' compensation insurance. There are some exceptions to this requirement.

3. I received a letter asking for information, what should I do?

Through various channels the Compliance Unit is made aware of Arizona businesses that are not carrying workers' compensation insurance which **may** be required to have insurance; the inquiry letter is an opportunity for employers to let the Compliance Unit know why there is not a workers' compensation policy in place. Please complete the form and submit it to the Compliance Unit for further handling.

4. I received an Order of Civil Penalty, what must I do?

An Order of Civil Penalty is issued once it has been determined that an uninsured business does not meet one of the exceptions to the requirement to carry workers' compensation insurance. The fines associated with the Civil Penalty will range from \$1,000.00 to \$10,000.00. If you receive an Order for Civil Penalty, contact the Legal Department to discuss possible resolution.

5. What happens if I do not pay the Civil Penalty?

The Industrial Commission is authorized to seek an injunction that will force the business to cease its operations until the business complies with the provisions of Arizona law.