



Industrial Commission of Arizona Substantive Policy Statement

Title: COVID-19 Workers' Compensation Claims	Effective: May 15, 2020
Approved by the Industrial Commission: May 14, 2020	Issued: May 14, 2020

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes § 41-1033 for a review of the statement.

COVID-19 Workers' Compensation Claims

Workers' compensation insurance carriers, self-insured employers, the Special Fund, and authorized claims processing representatives administering Arizona workers' compensation claims *may not* categorically deny COVID-19 claims. All claims must be reviewed and investigated in good faith. Claim denials related to COVID-19, like any claim denial, must be "well-grounded in fact" and "warranted by existing law" (or based upon a good faith argument for the extension, modification, or reversal of existing law). A.A.C. R20-5-163(A)(1); *see also* A.A.C. R20-5-163(A)(2) (stating that unreasonably delaying the payment of benefits or authorization for medical benefits constitutes "bad faith"); A.A.C. R20-5-163(B)(1) (stating that "unfair claim processing practices" includes unreasonably issuing a notice of claim status "without adequate supporting information"); *Hayes v. Continental Ins. Co.*, 178 Ariz. 264, 266, 872 P.2d 668, 670 (1994) (holding that an injured worker could proceed with bad faith action based on a claim denial without reasonable justification). Like all workers' compensation claims, a denial of a COVID-19 claim must be based upon a reasonable investigation and must be based on facts and evidence relevant to the claim. *See Tapia v. Indus. Comm'n of Ariz.*, 245 Ariz. 258, 262, 426 P.3d 1237, 1241 (App. 2018) (stating that the adjuster has the "task and duty to investigate claims before denying them").