

SENATE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chair of Committee

\_\_\_\_\_  
Date

April 27, 2022

Committee on Business, Labor, & Technology.

After consideration on the merits, the Committee recommends the following:

HB22-1347 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 7, after line 9 insert:

2 "SECTION 5. In Colorado Revised Statutes, 8-44-206, amend  
3 (3)(a), (4)(a), and (5); and **repeal** (2) as follows:

4 **8-44-206. Guaranty fund - immediate payment fund.**

5 ~~(2) **Creation of special funds board - duties.** (a) For the purposes of~~  
6 ~~carrying out this section, there is hereby created a special funds board~~  
7 ~~which shall exercise its powers and perform its duties and functions as~~  
8 ~~specified in this subsection (2) under the department of labor and~~  
9 ~~employment as if the same were transferred to the department by a **type**~~  
10 ~~2 transfer as such transfer is defined in the "Administrative Organization~~  
11 ~~Act of 1968", article 1 of title 24, C.R.S. Said board shall be composed~~  
12 ~~of five members: Four members who are managers or employees of~~  
13 ~~self-insured employers in good standing, two of whom shall demonstrate~~  
14 ~~knowledge of risk management and finance, and the executive director.~~

15 ~~(b) With the exception of the executive director, the board~~  
16 ~~members shall be appointed by the governor and approved by the senate.~~  
17 ~~The terms of the members of the board first appointed shall be four years,~~  
18 ~~three years, two years, and one year, respectively. Thereafter, the term for~~  
19 ~~each appointed board member shall be four years. Members of the board~~  
20 ~~may be reappointed and the executive director shall serve continuously.~~

21 ~~(c) The members of the board shall receive no compensation but~~  
22 ~~shall be reimbursed for actual and necessary traveling and subsistence~~  
23 ~~expenses incurred in the performance of their duties as members of the~~  
24 ~~board.~~

25 ~~(d) (f) The board shall determine the assessments to be made~~  
26 ~~pursuant to subsections (3) and (4) of this section and shall determine the~~  
27 ~~qualifications and requirements for any claims administrators hired to~~

1 ~~adjust the claims of a self-insurer who fails to meet his obligations with~~  
2 ~~respect to benefits awarded pursuant to articles 40 to 47 of this title.~~

3 ~~(H) The board shall also participate, in an advisory capacity only,~~  
4 ~~in matters concerning the granting or termination of self-insurance~~  
5 ~~permits and the setting of security requirements.~~

6 **(3) Immediate payment fund - assessments - creation of fund.**

7 (a) The ~~board~~ DIRECTOR shall impose an assessment upon each employer  
8 self-insured under section 8-44-201. Assessments under this subsection  
9 (3) shall be based upon a ratio equal to the self-insured employer's paid  
10 workers' compensation medical and indemnity losses for the most recent  
11 self-insurance permit year divided by the aggregate sum of paid medical  
12 and indemnity losses by all self-insured employers for that year. Such  
13 losses shall be determined on July 1, 1990, for the most recently  
14 completed permit year, and on the first day of July for each year thereafter  
15 until the minimum fund balance has been reached. Contributions to the  
16 fund shall not be assets of the self-insured employer.

17 **(4) Guaranty fund - assessments - creation of fund.** (a) When  
18 the ~~board~~ DIRECTOR determines that existing security held by an employer  
19 self-insured under section 8-44-201 is insufficient to meet its existing  
20 liability for workers' compensation benefits, the ~~board~~ DIRECTOR shall  
21 impose an assessment on each self-insured employer. The assessment  
22 shall be based on a ratio which equals each self-insured employer's paid  
23 workers' compensation medical and indemnity losses for the most recent  
24 self-insurance permit year divided by the aggregate sum of paid medical  
25 and indemnity losses by all self-insured employers for that year. If  
26 necessary, the executive director may direct the ~~board~~ DIRECTOR to make  
27 an annual assessment thereafter until such time as the present value of the  
28 guaranty fund, created in ~~paragraph (b) of this subsection~~ (4) SUBSECTION  
29 (4)(b) OF THIS SECTION, equals the total liability for workers'  
30 compensation benefits which are in excess of the security held by the  
31 defaulting self-insured employers.

32 (5) The department shall select any claims administrators required  
33 under this section based on the qualifications and requirements  
34 established by the ~~board~~ DIRECTOR. For the purpose of contracting for  
35 such services, the department shall not be subject to articles 101 to 114  
36 of title 24. C.R.S."

37 Renumber succeeding section accordingly.

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