

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0592.03 Caroline Martin x5902

SENATE BILL 24-149

SENATE SPONSORSHIP

Hinrichsen,

HOUSE SPONSORSHIP

(None),

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING WORKERS' COMPENSATION INSURANCE FOR STATE**
102 **EMPLOYEES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill removes the state's ability to elect self-insurance as a means of maintaining the state employee workers' compensation account, while leaving intact the state's ability to procure commercial workers' compensation insurance to maintain the account.

The bill prohibits the state, when communicating with or reaching an agreement with a state employee about a workers' compensation claim,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

from suggesting or requiring that the state employee resign from state employment or refrain from seeking or obtaining employment with the state in the future or that any other restrictions be placed on the state employee's ability to work for the state and voids any provision of a contract related to such a claim that imposes such a restriction.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-1510.7, _____
3 **add (6), (7), (8), (9), (10) and (11) as follows:**

4 **24-30-1510.7. Workers' compensation for state employees -**
5 **state employees' workers' compensation settlement agreements -**

6 **definition. (6) WHEN COMMUNICATING WITH OR REACHING AN**
7 **AGREEMENT _____ WITH A STATE EMPLOYEE ABOUT A WORKERS'**
8 **COMPENSATION CLAIM, THE STATE SHALL NEITHER SUGGEST NOR REQUIRE:**

9 (a) THAT THE STATE EMPLOYEE RESIGN FROM STATE
10 EMPLOYMENT;

11 (b) THAT THE STATE EMPLOYEE REFRAIN FROM SEEKING OR
12 OBTAINING EMPLOYMENT WITH THE STATE IN THE FUTURE; OR

13 (c) THAT ANY OTHER RESTRICTIONS BE PLACED ON THE STATE
14 EMPLOYEE'S ABILITY TO WORK FOR THE STATE.

15 (7) A PROVISION OF AN AGREEMENT, CONTRACT, OR
16 ARRANGEMENT THAT VIOLATES SUBSECTION (6) OF THIS SECTION IS VOID
17 AND UNENFORCEABLE, BUT ALL OTHER PROVISIONS OF SUCH AN
18 AGREEMENT, CONTRACT, OR ARRANGEMENT REMAIN ENFORCEABLE
19 UNLESS OTHERWISE PROHIBITED BY LAW.

20 (8) AS USED IN THIS SECTION, "STATE EMPLOYEE" MEANS AN
21 INDIVIDUAL WHO CURRENTLY IS OR WAS IN THE PAST EMPLOYED BY THE
22 STATE, WHETHER OR NOT THE INDIVIDUAL IS UNDER THE STATE
23 PERSONNEL SYSTEM OR EXEMPT FROM THE STATE PERSONNEL SYSTEM.

1 (9) PURSUANT TO THE LEGISLATIVE INTENT DECLARED IN SECTION
2 24-30-1501(1), TO EXPLORE, ON AN ANNUAL BASIS, THE AVAILABILITY OF
3 INSURANCE POLICIES. IF THE STATE ELECTS TO SELF-INSURE WORKERS'
4 COMPENSATION CLAIMS, THE DEPARTMENT OF PERSONNEL SHALL SEEK
5 AND OBTAIN QUOTES FROM PINNACOL ASSURANCE AND AT LEAST THREE
6 OTHER INSURANCE COMPANIES THAT PROVIDE WORKERS' COMPENSATION
7 INSURANCE IN COLORADO. EACH QUOTE MUST CONTAIN AN ESTIMATE OF
8 THE COST TO THE STATE TO PURCHASE WORKERS' COMPENSATION
9 INSURANCE FROM THE QUOTING INSURANCE COMPANY FOR THE
10 FOLLOWING CALENDAR YEAR.

11 (10) EACH QUOTE OBTAINED PURSUANT TO SUBSECTION (9) OF
12 THIS SECTION MUST BE PRESENTED TO THE GENERAL ASSEMBLY IN A
13 QUOTE REPORT BY THE DEPARTMENT OF PERSONNEL NO LATER THAN
14 DECEMBER 10 OF EACH YEAR. EACH QUOTE REPORT MUST SPECIFY:

15 (a) THE NAME OF THE INSURANCE COMPANY THAT PROVIDED THE
16 QUOTE AND THE DOLLAR AMOUNT OF THE QUOTE;

17 (b) THE COSTS ASSOCIATED WITH THE SELF-INSURANCE SELECTED
18 BY THE STATE FOR THE CURRENT CALENDAR YEAR, INCLUDING A
19 BREAKDOWN OF THAT COST WHICH MUST INCLUDE, BUT IS NOT LIMITED TO,
20 INDEMNITY BENEFITS, MEDICAL BENEFITS, COSTS PAID TO THIRD PARTY
21 ADMINISTRATORS AND AN IDENTIFICATION OF THOSE THIRD PARTY
22 ADMINISTRATORS, ACTUARIAL COSTS, PREMIUMS PAID FOR OUT OF STATE
23 INSURANCE, EACH STATE DEPARTMENT'S COSTS, ACTUAL OR ESTIMATED
24 COSTS OF LITIGATION, AND OTHER PERMITS, FEES, PAYMENTS AND
25 EXPENDITURES RELATED TO THE STATE'S SELF-INSURANCE OF WORKERS'
26 COMPENSATION CLAIMS; AND

27 (c) WHETHER THE STATE'S COSTS RELATED TO SELF-INSURANCE OF

1 WORKERS' COMPENSATION CLAIMS INCREASED OR DECREASED COMPARED
2 TO THE PREVIOUS CALENDAR YEAR.

3 (11) IN ADDITION TO THE QUOTE REPORT REQUIREMENTS SPECIFIED
4 IN SUBSECTION (10) OF THIS SECTION, THE FIRST QUOTE REPORT MUST
5 SPECIFY, OVER THE PREVIOUS THREE YEARS, FROM WHICH INSURANCE
6 COMPANIES THE STATE REQUESTED QUOTES, THE TOTAL NUMBER OF
7 INSURANCE COMPANIES THAT RESPONDED TO THE STATE'S QUOTE
8 REQUESTS, AND THE ESTIMATED COST REPORTED IN EACH RECEIVED
9 QUOTE.

10 **SECTION 2.** In Colorado Revised Statutes, 8-43-204, **add** (9) as
11 follows:

12 **8-43-204. Settlements - rules.** (9) IN ACCORDANCE WITH SECTION
13 24-30-1510.7 (6), IF THE STATE ENTERS INTO A SETTLEMENT AGREEMENT
14 WITH A STATE EMPLOYEE PURSUANT TO SUBSECTION (1) OF THIS SECTION,
15 THE STATE SHALL NEITHER SUGGEST NOR REQUIRE:

16 (a) THAT THE STATE EMPLOYEE RESIGN FROM STATE
17 EMPLOYMENT;

18 (b) THAT THE STATE EMPLOYEE REFRAIN FROM SEEKING OR
19 OBTAINING EMPLOYMENT WITH THE STATE IN THE FUTURE; OR

20 (c) THAT ANY OTHER RESTRICTIONS BE PLACED ON THE STATE
21 EMPLOYEE'S ABILITY TO WORK FOR THE STATE.

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23 **SECTION 3. Safety clause.** The general assembly finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, or safety or for appropriations for
26 the support and maintenance of the departments of the state and state
27 institutions.