

**First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 17-0143.01 Kristen Forrestal x4217

**HOUSE BILL 17-1119**

---

**HOUSE SPONSORSHIP**

**Kraft-Tharp**, Nordberg, Singer

**SENATE SPONSORSHIP**

**Jahn and Tate**,

---

**House Committees**

Business Affairs and Labor  
Finance

**Senate Committees**

---

**A BILL FOR AN ACT**

101 **CONCERNING THE PAYMENT OF WORKERS' COMPENSATION BENEFITS**  
102 **TO INJURED EMPLOYEES OF UNINSURED EMPLOYERS.**

---

**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 creates the "Colorado Uninsured Employer Act" to create a new mechanism for the payment of covered claims to workers who are injured while employed by employers who do not carry workers' compensation insurance. The bill creates the Colorado uninsured employer fund, which consists of penalties from employers who do not carry workers' compensation insurance.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*



1 IN SECTION 8-67-106.

2 (2) "COVERED CLAIM" MEANS A CLAIM FOR BENEFITS RESULTING  
3 FROM AN INJURY OCCURRING ON OR AFTER JANUARY 1, 2019, THAT HAS  
4 BEEN ADJUDICATED TO BE COMPENSABLE, FOR WHICH THE EMPLOYER HAS  
5 BEEN DETERMINED TO BE UNINSURED, AND FOR WHICH THE EMPLOYER HAS  
6 FAILED TO PAY THE FULL AMOUNT OF BENEFITS AS ORDERED.

7 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND  
8 EMPLOYMENT.

9 (4) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION OF  
10 WORKERS' COMPENSATION.

11 (5) "DIVISION" MEANS THE DIVISION OF WORKERS' COMPENSATION  
12 IN THE DEPARTMENT OF LABOR AND EMPLOYMENT.

13 (6) "FUND" MEANS THE COLORADO UNINSURED EMPLOYER FUND.

14 **8-67-104. Exclusions.** (1) THE FOLLOWING PERSONS MAY NOT  
15 RECOVER COMPENSATION OR OTHER BENEFITS FROM THE FUND:

16 (a) A PARTNER IN A PARTNERSHIP OR AN OWNER OF A SOLE  
17 PROPRIETORSHIP;

18 (b) A DIRECTOR OR OFFICER OF A CORPORATION;

19 (c) A MEMBER OR MANAGER OF A LIMITED LIABILITY COMPANY;

20 (d) AN INDIVIDUAL WHO WAS RESPONSIBLE FOR OBTAINING AND  
21 MAINTAINING THE EMPLOYER'S WORKERS' COMPENSATION INSURANCE  
22 COVERAGE AND WHO FAILED TO DO SO;

23 (e) AN INDIVIDUAL WHO WAS ELIGIBLE TO BE COVERED UNDER A  
24 WORKERS' COMPENSATION INSURANCE POLICY AND VOLUNTARILY  
25 REJECTED THE COVERAGE UNDER SECTION 8-41-202, 8-41-404 (4)(a)(V),  
26 OR 8-41-404 (4)(a)(VI);

27 (f) AN INDIVIDUAL WHO IS NOT AN "EMPLOYEE" AS DEFINED IN

1 SECTIONS 8-40-202 AND 8-40-301 OR WHO IS OTHERWISE INELIGIBLE TO  
2 RECEIVE BENEFITS UNDER ARTICLES 40 TO 47 OF THIS TITLE 8.

3 **8-67-105. Colorado uninsured employer fund.** (1) THE  
4 COLORADO UNINSURED EMPLOYER FUND IS HEREBY CREATED IN THE  
5 STATE TREASURY. A BOARD OF DIRECTORS ESTABLISHED UNDER SECTION  
6 8-67-106 SHALL ADMINISTER THE FUND UNDER A PLAN OF OPERATION  
7 ESTABLISHED UNDER SECTION 8-67-108.

8 (2) (a) THE MONEY COLLECTED FOR THE FUND PURSUANT TO  
9 ARTICLES 40 TO 47 OF THIS TITLE 8 SHALL BE TRANSMITTED TO THE STATE  
10 TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND. THE MONEY  
11 CREDITED TO THE FUND AND ALL INTEREST EARNED THEREON ARE HEREBY  
12 CONTINUOUSLY APPROPRIATED FOR THE PAYMENT OF THE DIRECT COSTS  
13 OF ADMINISTERING THE PROGRAM, INCLUDING BENEFITS PAID PURSUANT  
14 TO THIS ARTICLE 67 AND PAYMENTS TO THIRD PARTIES RETAINED  
15 PURSUANT TO THIS ARTICLE 67.

16 (b) THE INTERNAL STAFFING COSTS, NOT INCLUDING PAYMENTS TO  
17 THIRD PARTIES CONTRACTED BY THE BOARD, ASSOCIATED WITH  
18 UNINSURED EMPLOYER PROGRAMS SHALL BE PAID OUT OF THE WORKERS'  
19 COMPENSATION CASH FUND IN ACCORDANCE WITH APPROPRIATIONS MADE  
20 PURSUANT TO SECTION 8-44-112 (7).

21 (c) THE FUND CONSISTS OF:

22 (I) CIVIL PENALTIES, FINES, AND OTHER REVENUE COLLECTED BY  
23 THE DIVISION AND SPECIFICALLY ALLOCATED TO THE FUND PURSUANT TO  
24 ARTICLES 40 TO 47 OF THIS TITLE 8;

25 (II) ANY PUBLIC OR PRIVATE GIFTS, GRANTS, OR DONATIONS TO  
26 THE FUND RECEIVED BY THE DEPARTMENT;

27 (III) ANY APPROPRIATIONS MADE TO THE FUND; AND

1 (IV) EARNED INTEREST, WHICH THE STATE TREASURER SHALL  
2 DEPOSIT IN THE FUND.

3 (d) THE DEPARTMENT MAY USE REVENUES IN THE FUND FOR  
4 BENEFITS TO BE PAID OUT OF THE FUND PURSUANT TO THIS ARTICLE 67 AS  
5 WELL AS ADMINISTRATIVE COSTS OF THE BOARD.

6 (e) THE MONEY IN THE FUND:

7 (I) SHALL REMAIN IN THE FUND AND NOT BE CREDITED OR  
8 TRANSFERRED TO THE GENERAL FUND AT THE END OF ANY FISCAL YEAR;

9 (II) IS EXEMPT FROM SECTION 24-75-402; AND

10 (III) IS NOT SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
11 ASSEMBLY.

12 (3) NO LATER THAN JUNE 1, 2022, THE STATE AUDITOR SHALL  
13 CONDUCT OR CAUSE TO BE CONDUCTED A PERFORMANCE AUDIT OF THE  
14 COLORADO UNINSURED EMPLOYER FUND.

15 **8-67-106. Creation of board.** (1) THERE IS HEREBY CREATED IN  
16 THE DIVISION THE UNINSURED EMPLOYER BOARD, CONSISTING OF THE  
17 DIRECTOR OF THE DIVISION OR THE DIRECTOR'S REPRESENTATIVE AND  
18 FOUR MEMBERS APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE  
19 SENATE. APPOINTED MEMBERS OF THE BOARD MUST INCLUDE AT LEAST  
20 ONE INDIVIDUAL TO REPRESENT EACH OF THE FOLLOWING:

21 (a) EMPLOYERS;

22 (b) LABOR ORGANIZATIONS;

23 (c) INSURERS; AND

24 (d) ATTORNEY REPRESENTATIVES OF INJURED WORKERS.

25 (2) THE BOARD SHALL EXERCISE ITS POWERS AND PERFORM ITS  
26 FUNCTIONS UNDER THE DEPARTMENT AND THE DIRECTOR AS IF THE BOARD  
27 WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE 2** TRANSFER, AS

1 SUCH TRANSFER IS DEFINED IN THE "ADMINISTRATIVE ORGANIZATION ACT  
2 OF 1968", ARTICLE 1 OF TITLE 24.

3 (3) THE APPOINTED MEMBERS OF THE BOARD SHALL SERVE FOR  
4 TERMS OF THREE YEARS AND MAY BE REAPPOINTED; EXCEPT THAT, OF THE  
5 MEMBERS FIRST APPOINTED, ONE SHALL SERVE FOR AN INITIAL TERM OF  
6 THREE YEARS, TWO SHALL SERVE FOR INITIAL TERMS OF TWO YEARS, AND  
7 ONE SHALL SERVE FOR AN INITIAL TERM OF ONE YEAR. A MEMBER MAY  
8 SERVE NO MORE THAN THREE CONSECUTIVE TERMS.

9 (4) MEMBERS OF THE BOARD ARE NOT ENTITLED TO  
10 COMPENSATION FOR THEIR SERVICES BUT SHALL BE REIMBURSED FOR  
11 ACTUAL AND NECESSARY TRAVELING AND EXPENSES INCURRED IN THE  
12 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE BOARD.

13 **8-67-107. Powers of the board.** (1) THE BOARD HAS THE  
14 FOLLOWING POWERS AND DUTIES:

15 (a) TO ESTABLISH STANDARDS AND CRITERIA FOR PAYMENT OF  
16 BENEFITS FROM THE FUND;

17 (b) TO SET MINIMUM AND MAXIMUM BENEFIT RATES; EXCEPT THAT  
18 BENEFITS PAID BY THE FUND SHALL NOT EXCEED THE MAXIMUM ALLOWED  
19 UNDER ARTICLES 40 TO 47 OF THIS TITLE 8 OR SET FORTH BY ORDER OF THE  
20 DIRECTOR. MINIMUM BENEFIT RATES SHALL BE AT THE LEVEL REQUIRED  
21 BY ARTICLES 40 TO 47 OF THIS TITLE 8 UNLESS THE FUND LACKS  
22 SUFFICIENT MONEY AS DETERMINED BY THE BOARD. IF BENEFITS ARE PAID  
23 BELOW THE AMOUNT MANDATED BY ARTICLES 40 TO 47 OF THIS TITLE 8,  
24 BENEFITS SHALL BE PRIORITIZED AND PAID AS FOLLOWS:

25 (I) MEDICAL BENEFITS;

26 (II) FUNERAL BENEFITS;

27 (III) TEMPORARY DISABILITY;

- 1 (IV) DEATH BENEFITS;
- 2 (V) PERMANENT TOTAL DISABILITY;
- 3 (VI) PERMANENT PARTIAL DISABILITY;
- 4 (VII) DISFIGUREMENT.

5 (c) TO ADJUST CLAIMS, WHICH MAY BE PERFORMED [REDACTED] BY  
6 CONTRACTING WITH ANY APPROPRIATE ENTITIES DESIGNATED AS  
7 THIRD-PARTY ADMINISTRATORS. DESIGNATION OF A THIRD-PARTY  
8 ADMINISTRATOR IS SUBJECT TO THE APPROVAL OF THE DIRECTOR.

9 (d) TO PAY THE EXPENSES OF THE BOARD AS AUTHORIZED BY THIS  
10 SECTION;

11 (e) TO DISSEMINATE INFORMATION REGARDING THE FUND;

12 (f) TO ADOPT RULES AS NECESSARY TO CARRY OUT THE PURPOSES  
13 OF THIS ARTICLE 67, INCLUDING RULES REGARDING ADMISSION TO THE  
14 FUND AND PAYMENT OF BENEFITS IN ORDER TO ENSURE THE FINANCIAL  
15 STABILITY OF THE FUND;

16 (g) TO INVESTIGATE CLAIMS BROUGHT FOR BENEFITS AND TO  
17 ADJUST, COMPROMISE, SETTLE, AND PAY COVERED CLAIMS TO THE EXTENT  
18 PERMITTED BY STATUTE AND RULE; TO DENY PAYMENT OF BENEFITS FROM  
19 THE FUND OF ALL OTHER CLAIMS AND TO REVIEW SETTLEMENTS,  
20 RELEASES, AND FINAL ORDERS TO WHICH THE UNINSURED EMPLOYER AND  
21 INJURED WORKER WERE PARTIES; AND TO DETERMINE THE EXTENT TO  
22 WHICH SUCH SETTLEMENTS, RELEASES, AND ORDERS MAY EFFECT  
23 ELIGIBILITY FOR BENEFITS.

24 (2) THE BOARD MAY:

25 (a) EMPLOY OR RETAIN PERSONS AS NECESSARY TO HANDLE  
26 CLAIMS AND PERFORM OTHER DUTIES OF THE BOARD;

27 (b) INTERVENE AS A PARTY BEFORE ANY COURT OR

1 ADMINISTRATIVE TRIBUNAL IN THIS STATE THAT HAS JURISDICTION OVER  
2 AN UNINSURED EMPLOYER OR OTHER PARTY POTENTIALLY RESPONSIBLE  
3 FOR PAYMENT OF BENEFITS;

4 (c) NEGOTIATE AND BECOME A PARTY TO CONTRACTS AS  
5 NECESSARY TO CARRY OUT THE PURPOSES OF THIS ARTICLE 67;

6 (d) PERFORM OTHER ACTS NECESSARY OR PROPER TO EFFECTUATE  
7 THE PURPOSES OF THIS ARTICLE 67;

8 (e) PURCHASE OR OTHERWISE OBTAIN INSURANCE AND  
9 REINSURANCE POLICIES TO LIMIT THE LIABILITY OF THE FUND FOR  
10 PAYMENT OF BENEFITS UNDER THIS ARTICLE 67; AND

11 (f) DENY ENTRY TO THE FUND OR PAYMENT OF BENEFITS IF THE  
12 UNDERLYING CLAIM APPEARS TO BE PREMISED ON FRAUDULENT ACTIVITY.

13 **8-67-108. Plan of operation.** (1) THE BOARD SHALL, BY RULE,  
14 ADOPT A PLAN OF OPERATION AND ANY AMENDMENTS NECESSARY OR  
15 SUITABLE TO ASSURE THE FAIR, REASONABLE, AND EQUITABLE  
16 ADMINISTRATION OF THE FUND.

17 (2) IF THE BOARD FAILS TO ADOPT A PLAN OF OPERATION ON OR  
18 BEFORE SEPTEMBER 1, 2018, THE DIRECTOR SHALL, AFTER NOTICE AND  
19 HEARING, ADOPT AND PROMULGATE REASONABLE RULES AS NECESSARY  
20 OR ADVISABLE TO EFFECTUATE THIS ARTICLE 67. THE RULES SHALL  
21 CONTINUE IN FORCE UNTIL MODIFIED OR SUPERSEDED BY THE BOARD.

22 (3) THE PLAN OF OPERATION SHALL:

23 (a) ESTABLISH THE PROCEDURES BY WHICH ALL THE POWERS AND  
24 DUTIES OF THE BOARD UNDER SECTION 8-67-107 WILL BE PERFORMED;

25 (b) ESTABLISH THE AMOUNT AND METHOD OF REIMBURSING  
26 MEMBERS OF THE BOARD UNDER SECTION 8-67-106 (4);

27 (c) ESTABLISH PROCEDURES BY WHICH CLAIMS MAY BE FILED WITH



1 THE BOARD, INCLUDING ESTABLISHING ACCEPTABLE FORMS OF PROOF OF  
2 COVERED CLAIMS;

3 (d) ESTABLISH PROCEDURES FOR PURSUING ACTIONS AGAINST  
4 UNINSURED EMPLOYERS PURSUANT TO SECTION 8-67-110;

5 (e) ESTABLISH REGULAR PLACES AND TIMES FOR MEETINGS OF THE  
6 BOARD;

7 (f) ESTABLISH PROCEDURES FOR MAINTAINING RECORDS OF ALL  
8 FINANCIAL TRANSACTIONS OF THE BOARD;

9 (g) CONTAIN ADDITIONAL PROVISIONS NECESSARY OR PROPER FOR  
10 THE EXECUTION OF THE POWERS AND DUTIES OF THE BOARD; AND

11 (h) ESTABLISH PROCEDURES FOR CONTRACTING WITH THIRD-PARTY  
12 ADMINISTRATORS TO ADMINISTER CLAIMS PAID BY THE FUND.

13 **8-67-109. Effect of benefits.** (1) NOTWITHSTANDING THIS  
14 SECTION OR ARTICLES 40 TO 47 OF THIS TITLE 8, A PERSON SEEKING  
15 BENEFITS UNDER THIS ARTICLE 67 FROM THE FUND IS DEEMED TO HAVE  
16 ASSIGNED HIS OR HER RIGHTS UNDER ARTICLES 40 TO 47 OF THIS TITLE 8  
17 TO THE BOARD TO THE EXTENT OF THE BENEFITS PAID BY THE FUND.  
18 EVERY INJURED WORKER SEEKING THE PROTECTION OF THIS ARTICLE 67  
19 SHALL COOPERATE WITH THE BOARD TO THE SAME EXTENT AS HE OR SHE  
20 WOULD HAVE BEEN REQUIRED TO COOPERATE WITH THE EMPLOYER.

21 (2) IF AN EMPLOYER HAS NO INSURANCE AND FAILS TO PAY THE  
22 FULL AMOUNT OF BENEFITS AS REQUIRED BY ARTICLES 40 TO 47 OF THIS  
23 TITLE 8, THE INJURED WORKER MAY APPLY TO THE BOARD FOR PAYMENT  
24 OF THE COMPENSATION BENEFITS, INCLUDING MEDICAL BENEFITS, TO  
25 WHICH THE INJURED WORKER IS ENTITLED, TO BE PAID FROM THE FUND.  
26 BENEFITS TO WHICH THE INJURED WORKER IS ENTITLED FROM THE FUND  
27 DO NOT INCLUDE ANY PENALTIES ASSESSED AGAINST THE EMPLOYER.

1           (3) THE BOARD HAS THE RIGHT TO APPEAR AS A CREDITOR IN A  
2 BANKRUPTCY PROCEEDING INVOLVING AN UNINSURED EMPLOYER WHO  
3 HAS BEEN FOUND LIABLE TO AN INJURED WORKER ADMITTED TO THE FUND.

4           (4) THE RECEIVER, LIQUIDATOR, OR STATUTORY SUCCESSOR OF AN  
5 UNINSURED EMPLOYER IS BOUND BY SETTLEMENTS OF COVERED CLAIMS  
6 WITH THE BOARD. THE COURT HAVING JURISDICTION SHALL GRANT SUCH  
7 CLAIMS PRIORITY EQUAL TO THAT WHICH THE INJURED WORKER WOULD  
8 HAVE BEEN ENTITLED IN THE ABSENCE OF THIS ARTICLE 67 AGAINST THE  
9 ASSETS OF THE EMPLOYER. THE EXPENSES OF THE BOARD SHALL BE  
10 ACCORDED THE SAME PRIORITY AS THE LIQUIDATOR'S EXPENSES.

11           (5) UPON THE ACCEPTANCE OF A CLAIM INTO THE FUND, THE  
12 BOARD SHALL RECORD, AS PROVIDED BY SUBSECTION (6) OF THIS SECTION,  
13 A CERTIFICATE PREPARED AND FURNISHED BY THE DIVISION SHOWING THE  
14 DATE ON WHICH THE CLAIM WAS FILED, THE DATE OF THE INJURY, THE  
15 NAME AND LAST KNOWN ADDRESS OF THE EMPLOYER AGAINST WHOM IT  
16 WAS FILED, THE NAMES AND LAST KNOWN ADDRESSES OF THE EMPLOYER'S  
17 PRINCIPALS, AND THE FACT THAT THE EMPLOYER HAS NOT SECURED THE  
18 PAYMENT OF COMPENSATION AS REQUIRED. UPON RECORDING, THE  
19 CERTIFICATE CONSTITUTES A VALID LIEN AGAINST THE ASSETS OF THE  
20 EMPLOYER AND ITS PRINCIPALS IN FAVOR OF THE FUND FOR THE WHOLE  
21 AMOUNT THAT MAY BE DUE AS COMPENSATION. ANY LIEN SECURED  
22 PURSUANT TO THIS ARTICLE 67 HAS PRIORITY IN THE ORDER FILED. THE  
23 BOARD SHALL SERVE A COPY OF THE CERTIFICATE UPON THE EMPLOYER  
24 AND ITS PRINCIPALS.

25           (6) THE CERTIFICATE CONSTITUTING A LIEN IN FAVOR OF THE FUND  
26 MUST BE FILED IN THE FOLLOWING OFFICES:

27           (a) THE OFFICES OF THE COUNTY CLERKS OF THE COUNTIES IN

1 WHICH THE PRINCIPALS OF THE DEFENDANT EMPLOYER RESIDE;

2 (b) THE OFFICE OF THE COUNTY CLERK OF THE COUNTY IN WHICH  
3 THE DEFENDANT EMPLOYER HAS ITS PRINCIPAL PLACE OF BUSINESS; AND

4 (c) THE OFFICES OF THE COUNTY CLERKS IN THE COUNTIES WHERE  
5 THE EMPLOYER'S PROPERTY IS LOCATED.

6 (7) IF AN UNINSURED EMPLOYER BECOMES INSOLVENT, THE BOARD  
7 MAY CONVERT ALL FUTURE PAYMENTS OF WORKERS' COMPENSATION  
8 WEEKLY BENEFITS, MEDICAL EXPENSES, OR OTHER PAYMENTS PURSUANT  
9 TO ARTICLES 40 TO 47 OF THIS TITLE 8 TO A PRESENT LUMP SUM. THE  
10 BOARD SHALL FIX THE LUMP SUM OF PROBABLE FUTURE MEDICAL EXPENSES  
11 AND WEEKLY COMPENSATION BENEFITS, OR OTHER BENEFITS PAYABLE  
12 PURSUANT TO ARTICLES 40 TO 47 OF THIS TITLE 8, CAPITALIZED AT THEIR  
13 PRESENT VALUE UPON THE BASIS OF INTEREST AT THE RATE OF FOUR  
14 PERCENT PER ANNUM. THE BOARD SHALL THEN FILE WITH THE RECEIVER OR  
15 LIQUIDATOR OF AN INSOLVENT EMPLOYER THE STATEMENT OF THE LUMP  
16 SUM, WHICH SHALL PRESERVE THE RIGHTS OF THE BOARD AGAINST THE  
17 ASSETS OF THE INSOLVENT EMPLOYER. THE EMPLOYER IS DISCHARGED  
18 FROM ALL FURTHER LIABILITY FOR THE COMMUTED WORKERS'  
19 COMPENSATION CLAIM UPON PAYMENT OF THE PRESENT LUMP SUM TO  
20 EITHER THE INJURED WORKER OR, SUBJECT TO APPROVAL BY THE BOARD,  
21 TO A LICENSED INSURER FOR PURCHASE OF AN ANNUITY OR OTHER  
22 PERIODIC PAYMENT PLAN FOR THE BENEFIT OF THE INJURED WORKER.

23 (8) PAYMENT FROM THE FUND DOES NOT RELIEVE THE OBLIGATION  
24 OF THE EMPLOYER TO PAY BENEFITS AS REQUIRED BY ARTICLES 40 TO 47  
25 OF THIS TITLE 8 TO THE INJURED WORKER; EXCEPT THAT ANY BENEFITS DUE  
26 TO THE INJURED WORKER WILL BE REDUCED BY THE AMOUNT OF THE  
27 BENEFITS PAID BY THE FUND TO THE INJURED WORKER. ALL BENEFITS

1 REQUIRED PURSUANT TO ARTICLES 40 TO 47 OF THIS TITLE 8 REMAIN THE  
2 LIABILITY OF THE EMPLOYER.

3 **8-67-110. Collection of benefit reimbursements.** (1) THE BOARD  
4 SHALL INSTITUTE PRACTICES AND PROCEDURES AS IT DEEMS NECESSARY TO  
5 COLLECT ANY MONEY DUE THE FUND IN THE FORM OF REIMBURSEMENT FOR  
6 BENEFITS PAID FROM THE FUND TO AN INJURED WORKER.

7 (2) THE BOARD, IN ITS ROLE AS GUARDIAN OF FUND DOLLARS, IS  
8 EXEMPT FROM SECTION 24-30-202.4. IF THE BOARD DETERMINES AN  
9 ACCOUNT TO BE UNCOLLECTIBLE, THE ACCOUNT MAY BE REFERRED TO THE  
10 CONTROLLER FOR COLLECTION. REASONABLE FEES FOR COLLECTION, AS  
11 DETERMINED BY THE BOARD AND THE CONTROLLER, SHALL BE ADDED TO  
12 THE AMOUNT OF DEBT. THE DEBTOR IS LIABLE FOR REPAYMENT OF THE  
13 TOTAL OF THE AMOUNT OF OUTSTANDING DEBT PLUS THE COLLECTION FEE.  
14 ALL MONEY COLLECTED BY THE CONTROLLER SHALL BE RETURNED TO THE  
15 FUND; EXCEPT THAT ALL FEES COLLECTED SHALL BE RETAINED BY THE  
16 CONTROLLER. IF LESS THAN THE FULL AMOUNT IS COLLECTED, THE  
17 CONTROLLER SHALL RETAIN ONLY A PROPORTIONATE SHARE OF THE  
18 COLLECTION FEE.

19 (3) IF, AFTER DUE NOTICE, AN EMPLOYER DEFAULTS IN THE  
20 REPAYMENT OF ANY BENEFITS PAID BY THE FUND TO AN INJURED WORKER  
21 ON THAT EMPLOYER'S BEHALF, THE BOARD MAY SEEK COLLECTION FROM  
22 THE EMPLOYER BY INSTITUTING A CIVIL ACTION, WHICH SHALL INCLUDE  
23 THE RIGHT OF ATTACHMENT IN THE NAME OF THE FUND. COURT COSTS  
24 SHALL NOT BE CHARGED TO THE BOARD, BUT ANY EMPLOYER AGAINST  
25 WHOM JUDGMENT IS TAKEN SHALL BE CHARGED WITH ALL COSTS OF THE  
26 ACTION. ALL COSTS COLLECTED BY THE FUND SHALL BE PAID INTO THE  
27 REGISTRY OF THE COURT.

1           (4) THE BOARD MAY EMPLOY COUNSEL AND OTHER PERSONNEL  
2 NECESSARY TO COLLECT REIMBURSEMENTS AS DESCRIBED IN THIS SECTION.

3           **8-67-111. Payment of benefits.** (1) BENEFITS PAID UNDER THIS  
4 ARTICLE 67 ARE TREATED AS BENEFITS PAID BY AN INSURER OR  
5 SELF-INSURED EMPLOYER UNDER ARTICLES 40 TO 47 OF THIS TITLE 8.

6           (2) A PERSON HAVING A SINGLE CLAIM AGAINST MULTIPLE  
7 EMPLOYERS IS NOT ENTITLED TO RECEIVE BENEFITS UNLESS EACH OF THE  
8 LIABLE EMPLOYERS IS UNINSURED.

9           (3) WHEN PAYING BENEFITS, THE BOARD IS ENTITLED TO CLAIM  
10 ANY REDUCTION OF BENEFITS, TO CLAIM OVERPAYMENTS, OR TO MAKE ANY  
11 OTHER ADJUSTMENTS ALLOWED UNDER ARTICLES 40 TO 47 OF THIS TITLE  
12 8.

13           (4) BENEFITS AWARDED UNDER THIS ARTICLE 67 MUST BE REDUCED  
14 BY ANY BENEFITS PAID BY THE UNINSURED EMPLOYER.

15           **8-67-112. Medical benefits.** (1) MEDICAL BENEFITS PAID UNDER  
16 THIS ARTICLE 67 ARE TREATED AS BENEFITS PAID BY AN INSURER OR  
17 SELF-INSURED EMPLOYER UNDER ARTICLES 40 TO 47 OF THIS TITLE 8.

18           (2) UPON ACCEPTANCE OF A CLAIM FOR BENEFITS FROM THE FUND,  
19 THE BOARD MAY DESIGNATE A NEW AUTHORIZED TREATING PHYSICIAN.  
20 APPLICATION TO THE FUND SHALL BE DEEMED AS ACCEPTANCE BY THE  
21 INJURED WORKER OF THE NEW DESIGNATED PHYSICIAN IF THE DESIGNATION  
22 IS MADE. THE PREVIOUSLY AUTHORIZED TREATING PHYSICIAN PROVIDING  
23 PRIMARY CARE SHALL CONTINUE AS THE AUTHORIZED TREATING PHYSICIAN  
24 PROVIDING PRIMARY CARE FOR THE INJURED EMPLOYEE UNTIL THE INJURED  
25 EMPLOYEE'S INITIAL VISIT WITH THE NEWLY AUTHORIZED TREATING  
26 PHYSICIAN, AT WHICH TIME THE TREATMENT RELATIONSHIP WITH THE  
27 PREVIOUSLY AUTHORIZED TREATING PHYSICIAN PROVIDING PRIMARY CARE

1 IS TERMINATED.

2 (3) NOTWITHSTANDING ARTICLES 40 TO 47 OF THIS TITLE 8, THE  
3 BOARD IS PERMITTED TO NEGOTIATE RATES OF REIMBURSEMENT FOR  
4 MEDICAL PROVIDERS.

5 **8-67-113. Procedure.** (1) A CONTROVERSY CONCERNING ANY  
6 ISSUE ARISING UNDER THIS SECTION SHALL BE RESOLVED THROUGH  
7 HEARINGS IN ACCORDANCE WITH SECTIONS 8-43-207 AND 8-43-207.5. IN  
8 ANY SUCH HEARING, A DECISION OF THE BOARD TO DENY BENEFITS MAY  
9 ONLY BE SET ASIDE UPON A SHOWING OF ABUSE OF DISCRETION.

10 (2) THE DIVISION SHALL NOTIFY THE BOARD OF ANY CLAIM  
11 DETERMINED OR SUSPECTED TO BE UNINSURED, EITHER AT THE TIME OF  
12 FILING OR OTHERWISE. UPON THE NOTIFICATION, THE BOARD IS PERMITTED  
13 TO JOIN THE CLAIM AS A PARTY UPON WRITTEN NOTICE TO ALL OTHER  
14 PARTIES.

15 (3) A HEARING MUST NOT PROCEED ON THE ISSUE OF LACK OF  
16 COVERAGE WITHOUT THE BOARD HAVING BEEN NOTIFIED AND PROVIDED  
17 AN OPPORTUNITY TO JOIN THE CLAIM AS A PARTY.

18 (4) THE BOARD, ITS AGENTS, OR EMPLOYEES HAVE NO LIABILITY  
19 FOR ANY ACTION TAKEN AGAINST THEM FOR THE PERFORMANCE OF THEIR  
20 DUTIES UNDER THIS ARTICLE 67.

21 **SECTION 2.** In Colorado Revised Statutes, 8-41-404, **amend** (3)  
22 as follows:

23 **8-41-404. Construction work - proof of coverage required -**  
24 **violation - penalty - definitions.** (3) A violation of subsection (1) of this  
25 section is punishable by an administrative fine imposed pursuant to  
26 section 8-43-409 (1)(b). The division shall transmit revenues collected  
27 through the imposition of fines pursuant to this section to the state

1 treasurer, who shall credit them to the ~~workers' compensation cash fund~~  
2 ~~created in section 8-44-112 (7)~~. Such revenues shall be appropriated to the  
3 ~~division for the purpose of enforcing this section~~ COLORADO UNINSURED  
4 EMPLOYER FUND CREATED IN SECTION 8-67-105.

5 **SECTION 3.** In Colorado Revised Statutes, 8-43-304, **amend** (1)  
6 and (1.5)(b) as follows:

7 **8-43-304. Violations - penalty - offset for benefits obtained**  
8 **through fraud - rules.** (1) Any employer or insurer, or any officer or  
9 agent of either, or any employee, or any other person who violates ~~any~~  
10 ~~provision of~~ articles 40 to 47 of this ~~title~~ TITLE 8, or does any act  
11 prohibited thereby, or fails or refuses to perform any duty lawfully  
12 enjoined within the time prescribed by the director or panel, for which no  
13 penalty has been specifically provided, or fails, neglects, or refuses to  
14 obey any lawful order made by the director or panel or any judgment or  
15 decree made by any court as provided by ~~said~~ THE articles shall be subject  
16 to such order being reduced to judgment by a court of competent  
17 jurisdiction and shall also be punished by a fine of not more than one  
18 thousand dollars per day for each ~~such~~ offense, to be apportioned, in  
19 whole or part, at the discretion of the director or administrative law judge,  
20 between the aggrieved party and the ~~workers' compensation cash fund~~  
21 ~~created in section 8-44-112 (7)(a)~~ COLORADO UNINSURED EMPLOYER FUND  
22 CREATED IN SECTION 8-67-105; except that the amount apportioned to the  
23 aggrieved party shall be a minimum of ~~fifty~~ TWENTY-FIVE percent of any  
24 penalty assessed.

25 (1.5) (b) Fines imposed pursuant to this subsection (1.5) shall be  
26 transmitted to the state treasurer, who shall credit ~~seventy-five percent of~~  
27 ~~such~~ THE fines to the ~~general fund and twenty-five percent to the workers'~~

1 ~~compensation cash fund, created in section 8-44-112~~ COLORADO  
2 UNINSURED EMPLOYER FUND CREATED IN SECTION 8-67-105.

3 **SECTION 4.** In Colorado Revised Statutes, 8-43-306, **amend** (2)  
4 as follows:

5 **8-43-306. Collection of fines, penalties, and overpayments.**

6 (2) All ~~such~~ penalties, when collected, ~~shall be~~ ARE payable to the  
7 division and transmitted through the state treasurer for credit to the  
8 ~~subsequent injury fund, created in section 8-46-101~~ COLORADO  
9 UNINSURED EMPLOYER FUND CREATED IN SECTION 8-67-105.

10 **SECTION 5.** In Colorado Revised Statutes, 8-43-401, **amend**  
11 (2)(b) as follows:

12 **8-43-401. District attorney or attorney of division to act for**  
13 **director or office - penalties for failure of insurer to pay benefits.**

14 (2) (b) All ~~moneys~~ MONEY collected as penalties by the division pursuant  
15 to this subsection (2) shall be transmitted to the state treasurer, who shall  
16 credit ~~the same~~ IT to the ~~workers' compensation cash fund created in~~  
17 ~~section 8-44-112~~ COLORADO UNINSURED EMPLOYER FUND CREATED IN  
18 SECTION 8-67-105.

19 **SECTION 6.** In Colorado Revised Statutes, 8-43-408, **amend** (1);  
20 **and add** (5) and (6) as follows:

21 **8-43-408. Default of employer - additional liability.** (1) ~~In any~~

22 ~~case where the~~ IF AN employer is subject to ~~the provisions of~~ articles 40  
23 to 47 of this ~~title~~ TITLE 8 and, at the time of an injury, has not complied  
24 with the insurance provisions of ~~said~~ THOSE articles or has allowed the  
25 required insurance to terminate, or has not effected a renewal thereof, the  
26 employee, if injured, or, if killed, the employee's dependents may claim  
27 the compensation and benefits provided in ~~said~~ THOSE articles. ~~and in any~~



1 ~~such case the amounts of compensation or benefits provided in said~~  
2 ~~articles shall be increased fifty percent.~~

3 (5) IN ADDITION TO ANY COMPENSATION PAID OR ORDERED IN  
4 ACCORDANCE WITH THIS SECTION OR ARTICLES 40 TO 47 OF THIS TITLE 8,  
5 AN EMPLOYER WHO IS NOT IN COMPLIANCE WITH THE INSURANCE  
6 PROVISIONS OF THOSE ARTICLES AT THE TIME AN EMPLOYEE SUFFERS A  
7 COMPENSABLE INJURY OR OCCUPATIONAL DISEASE SHALL PAY AN AMOUNT  
8 EQUAL TO TWENTY-FIVE PERCENT OF THE COMPENSATION OR BENEFITS TO  
9 WHICH THE EMPLOYEE IS ENTITLED TO THE COLORADO UNINSURED  
10 EMPLOYER FUND CREATED IN SECTION 8-67-105.

11 (6) AN EMPLOYER WHO FAILS TO COMPLY WITH A LAWFUL ORDER  
12 OR JUDGMENT ISSUED PURSUANT TO SUBSECTION (2) OR (3) OF THIS  
13 SECTION SHALL BE ORDERED TO PAY AN AMOUNT EQUAL TO TWENTY-FIVE  
14 PERCENT OF THE COMPENSATION OR BENEFITS TO WHICH THE EMPLOYEE IS  
15 ENTITLED TO THE COLORADO UNINSURED EMPLOYER FUND CREATED IN  
16 SECTION 8-67-105 IN ADDITION TO ANY OTHER AMOUNT ORDERED  
17 PURSUANT TO THIS SECTION OR ARTICLES 40 TO 47 OF THIS TITLE 8.

18   
19 **SECTION 7.** In Colorado Revised Statutes, 8-43-409, **amend** (7);  
20 and **add** (1.5) as follows:

21 **8-43-409. Defaulting employers - penalties - enjoined from**  
22 **continuing business - fines - procedure - definition - repeal.** (1.5) (a)  
23 A VIOLATION THAT OCCURS MORE THAN SEVEN YEARS AFTER THE DATE  
24 THE PRECEDING VIOLATION ENDED IS SUBJECT TO A FINE UP TO THE  
25 MAXIMUM AMOUNT PERMITTED PURSUANT TO SUBSECTION (1)(b)(I) OF  
26 THIS SECTION.

27 (b) AFTER ANY FINES HAVE BEEN IMPOSED PURSUANT TO

1 SUBSECTION (1)(b)(I) OR (1)(b)(II) OF THIS SECTION, THE DIRECTOR HAS  
2 THE DISCRETION TO ENTER INTO A SETTLEMENT AGREEMENT AND ACCEPT  
3 AS CONSIDERATION AN AMOUNT LESS THAN THE MINIMUM FINE ALLOWED  
4 BY SUBSECTION (1)(b)(II) OF THIS SECTION.

5 (c) NOTWITHSTANDING ARTICLES 40 TO 47 OF THIS TITLE 8, FINES  
6 PURSUANT TO THIS SECTION MAY BE IMPOSED ONLY FOR PERIODS THAT  
7 TAKE PLACE NO MORE THAN THREE YEARS PRIOR TO THE DATE AN  
8 EMPLOYER IS NOTIFIED BY THE DIVISION OF A POTENTIAL VIOLATION OF  
9 THE REQUIREMENTS OF ARTICLES 40 TO 47 OF THIS TITLE 8.

10 (d) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2022.  
11 BEFORE ITS REPEAL, THIS SUBSECTION (1.5) IS SCHEDULED FOR REVIEW IN  
12 ACCORDANCE WITH SECTION 24-34-104.

13 (7) Fines collected pursuant to this section shall be transmitted to  
14 the state treasurer, who shall credit ~~twenty-five percent of such~~ THE TOTAL  
15 AMOUNT OF THE fine to the ~~workers' compensation cash~~ COLORADO  
16 UNINSURED EMPLOYER fund, created in section ~~8-44-112~~, which shall be  
17 ~~used to offset the premium surcharge. The state treasurer shall credit the~~  
18 ~~remainder of the fine to the general fund 8-67-105.~~

19 **SECTION 8.** In Colorado Revised Statutes, 8-46-102, **amend**  
20 (1)(a); and **add** (1)(c) as follows:

21 **8-46-102. Funding for subsequent injury fund and major**  
22 **medical insurance fund.** (1) (a) For every compensable injury resulting  
23 in death wherein there are no persons either wholly or partially dependent  
24 upon the deceased, the employer or the employer's insurance carrier, if  
25 any, shall pay to the division the sum of ~~fifteen~~ TWENTY thousand dollars,  
26 not to exceed one hundred percent of the death benefit, to be transmitted  
27 to the state treasurer, as custodian, and credited by the state treasurer to the

1 ~~subsequent injury~~ COLORADO UNINSURED EMPLOYER fund CREATED IN  
2 SECTION 8-67-105. In the event that there are only partially dependent  
3 persons dependent upon the deceased, the employer or the employer's  
4 insurance carrier, if any, shall first pay such benefits to such partial  
5 dependents and shall transmit the balance of the sum of ~~fifteen~~ TWENTY  
6 thousand dollars to the state treasurer, as custodian, who shall credit the  
7 same to the ~~subsequent injury~~ COLORADO UNINSURED EMPLOYER fund.

8 (c) FOR INJURIES SUSTAINED ON OR AFTER JULY 1, 2018, AND ON  
9 EACH JULY 1 THEREAFTER, THE DIRECTOR SHALL ADJUST THE AMOUNT  
10 PAID TO THE COLORADO UNINSURED EMPLOYER FUND IN THIS SUBSECTION  
11 (1) BY THE PERCENTAGE OF THE ADJUSTMENT MADE BY THE DIRECTOR TO  
12 THE STATE WEEKLY WAGE PURSUANT TO SECTION 8-47-106.

13 **SECTION 9.** In Colorado Revised Statutes, 8-47-203, **add**  
14 (1)(c)(III) as follows:

15 **8-47-203. Access to files, records, and orders.**  
16 (1) Notwithstanding the provisions of section 8-47-202, the filing of a  
17 claim for compensation is deemed to be a limited waiver of the  
18 doctor-patient privilege to persons who are necessary to resolve the claim.  
19 Access to claim files maintained by the division will be permitted only as  
20 follows:

21 (c) (III) NOTWITHSTANDING ARTICLES 40 TO 47 OF THIS TITLE 8,  
22 THE DIRECTOR MAY PROVIDE INFORMATION TO THE COLORADO UNINSURED  
23 EMPLOYER BOARD CREATED IN SECTION 8-67-106, AS NECESSARY, TO  
24 EXERCISE ITS POWERS AND DUTIES.

25 **SECTION 10.** In Colorado Revised Statutes, 24-34-104, **amend**  
26 (22)(a) introductory portion; and **add** (22)(a)(II) as follows:

27 **24-34-104. General assembly review of regulatory agencies and**

1 **functions for repeal, continuation, or reestablishment - legislative**  
2 **declaration - repeal.** (22) (a) The following agencies, functions, or both,  
3 ~~will~~ ARE SCHEDULED FOR repeal on July 1, 2022:

4 (II) THE LIMITATIONS ON IMPOSITION OF FINES FOR FAILURE TO  
5 CARRY WORKERS' COMPENSATION INSURANCE PURSUANT TO SECTION  
6 8-43-409 (1.5).

7 **SECTION 11. Effective date.** This act takes effect July 1, 2017.

8 **SECTION 12. Safety clause.** The general assembly hereby finds,  
9 determines, and declares that this act is necessary for the immediate  
10 preservation of the public peace, health, and safety.