

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business, Labor, & Technology.

HB22-1347 be amended as follows:

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) (I) 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~~
28 ~~adjust the claims of a self-insurer who fails to meet his obligations with~~
29 ~~respect to benefits awarded pursuant to articles 40 to 47 of this title.~~

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

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

34 (a) The ~~board~~ DIRECTOR shall impose an assessment upon each employer
35 self-insured under section 8-44-201. Assessments under this subsection
36 (3) shall be based upon a ratio equal to the self-insured employer's paid
37 workers' compensation medical and indemnity losses for the most recent
38 self-insurance permit year divided by the aggregate sum of paid medical
39 and indemnity losses by all self-insured employers for that year. Such

1 losses shall be determined on July 1, 1990, for the most recently
2 completed permit year, and on the first day of July for each year thereafter
3 until the minimum fund balance has been reached. Contributions to the
4 fund shall not be assets of the self-insured employer.

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

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

25 Renumber succeeding section accordingly.

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