

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 (II) 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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