

CHAPTER 24

LABOR AND INDUSTRY

HOUSE BILL 95-1038

BY REPRESENTATIVES Dean, Acquafresca, Paschall, and Schwarz;
also SENATOR Dennis.

AN ACT

**CONCERNING CANCELLATION OF AN EMPLOYER'S WORKERS' COMPENSATION INSURANCE POLICY
BY THE COLORADO COMPENSATION INSURANCE AUTHORITY.**

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

SECTION 1. 8-45-113, Colorado Revised Statutes, 1986 Repl. Vol., as amended,
is amended to read:

8-45-113. Policy cancelled, when. (1) ~~If any employer is in arrears for more than thirty days in any payment or wage report required to be made by said employer to the Colorado compensation insurance authority as provided in articles 40 to 47 of this title for advance premium, deposit premium, additional audited premium, or periodic premium on any policy issued to such employer by said authority, the employer shall by virtue of such arrearage be in default of such payment or reporting, and any such policy shall thereupon be cancelled without notice as of the effective or renewal date in the case of a new or renewal policy or as of the due date in the case of an existing policy.~~ (a) BEFORE CANCELLING A POLICY OF COVERAGE, THE COLORADO COMPENSATION INSURANCE AUTHORITY SHALL NOTIFY THE EMPLOYER FOR WHOM THE AUTHORITY ISSUED THE POLICY THAT THE AUTHORITY INTENDS TO CANCEL THE POLICY. SUCH NOTICE SHALL BE SENT BY CERTIFIED MAIL AT LEAST THIRTY DAYS BEFORE THE EFFECTIVE DATE OF THE CANCELLATION OF THE POLICY, AND THE AUTHORITY SHALL FORWARD A COPY OF THE NOTICE TO THE DIVISION.

(b) NOTICE MAY BE SENT LESS THAN THIRTY DAYS BEFORE THE EFFECTIVE DATE OF THE CANCELLATION OF THE POLICY IF CANCELLATION IS BASED ON ONE OR MORE OF THE FOLLOWING:

- (I) FRAUD;

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(II) MATERIAL MISREPRESENTATION;

(III) FAILURE TO FILE A WAGE REPORT; OR

(IV) NONPAYMENT OF DEDUCTIBLE, ADVANCE PREMIUM, DEPOSIT PREMIUM, ADDITIONAL AUDITED PREMIUM, PREMIUM DUE UNDER A RETROSPECTIVE RATING PLAN, OR PERIODIC PREMIUM.

~~(2) In the event cancellation of a policy is made as provided in subsection (1) of this section and the Colorado compensation insurance authority is required to make any expenditures for the benefits provided by articles 40 to 47 of this title for any accident causing injury or death within the thirty-day period specified in said subsection (1), said authority shall be entitled to reimbursement from the employer for all amounts so paid which may be collected by said authority in a civil action brought against the employer. The employer shall be primarily liable to any injured employee or the dependents of a deceased employee for the payment of the compensation and benefits provided by said articles during said thirty-day period.~~

(3) If any employer fails to pay, in full, when due, any payment required to be made by said employer to the Colorado compensation insurance authority for any binder issued to the employer by said authority, such binder shall thereupon be cancelled immediately and without notice.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 23, 1995