

CHAPTER 335

LABOR AND INDUSTRY

SENATE BILL 09-281

BY SENATOR(S) Shaffer B., Groff, Hodge, Keller, Morse, Romer, White, Tapia, Boyd;
also REPRESENTATIVE(S) Weissmann, Benefield, Green, Hullinghorst, Kerr A., Labuda, McFadyen, Pace, Pommer, Merrifield.

AN ACT

CONCERNING PINNACOL ASSURANCE, AND, IN CONNECTION THEREWITH, CLARIFYING THE OPERATION OF PINNACOL ASSURANCE AS A POLITICAL SUBDIVISION OF THE STATE, CREATING A LEGISLATIVE INTERIM COMMITTEE TO STUDY THE OPERATION OF PINNACOL ASSURANCE, AND REQUIRING PERFORMANCE AUDITS OF PINNACOL ASSURANCE.

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

SECTION 1. 8-45-101 (2) (c), Colorado Revised Statutes, is amended to read:

8-45-101. Pinnacol Assurance - creation - powers and duties. (2) (c) The board shall have the powers, rights, and duties ~~of the board of directors of a domestic mutual insurance company, except~~ as SET FORTH IN THIS ARTICLE AND otherwise provided by law.

SECTION 2. 8-45-121 (2), Colorado Revised Statutes, is amended to read:

8-45-121. Visitation of fund by commissioner of insurance - annual audit - examination. (2) An annual FINANCIAL audit AND, IN 2009, A PERFORMANCE AUDIT of ~~said fund~~ PINNACOL ASSURANCE shall be made AS SOON AS PRACTICABLE by ~~an~~ THE STATE auditor, ~~or~~ SUCH AUDITS TO INCLUDE, BUT NOT BE LIMITED TO, EXECUTIVE COMPENSATION, PREMIUM RATE STRUCTURE, KNOWN LOSS RESERVES, INCURRED BUT NOT REPORTED LOSSES, AND INJURED WORKERS' CLAIMS EXPERIENCE. IN CONDUCTING SUCH AUDITS, THE STATE AUDITOR MAY EMPLOY A firm of auditors ~~having~~ AND ACTUARIES, OR BOTH, WITH the necessary specialized knowledge and experience. ~~retained by the state auditor with the consultation and advice of the chief executive officer and the commissioner of insurance.~~ The cost of such ANNUAL audit and examination shall be borne by the fund PAID FROM THE OPERATING FUNDS OF PINNACOL ASSURANCE. THE STATE AUDITOR SHALL REPORT HIS OR HER FINDINGS FROM SUCH AUDITS, ALONG WITH ANY COMMENTS AND

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

RECOMMENDATIONS TO THE GOVERNOR, THE GENERAL ASSEMBLY, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND EMPLOYMENT, AND THE COMMISSIONER OF INSURANCE. THE STATE AUDITOR SHALL HAVE CONTINUING AUTHORITY TO CONDUCT PERFORMANCE AUDITS OF PINNACOL ASSURANCE AS THE STATE AUDITOR DEEMS APPROPRIATE. THE COST OF PERFORMANCE AUDITS SHALL BE PAID FROM THE OPERATING FUNDS OF PINNACOL ASSURANCE.

SECTION 3. Article 45 of title 8, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

8-45-125. Legislative interim committee on operation of Pinnacol Assurance - creation - members - study - report - repeal. (1) THERE IS HEREBY CREATED A LEGISLATIVE INTERIM COMMITTEE TO STUDY ISSUES RELATED TO PINNACOL ASSURANCE AS SET FORTH IN SUBSECTION (3) OF THIS SECTION.

(2) (a) THE MEMBERS OF THE INTERIM COMMITTEE SHALL CONSIST OF THE FOLLOWING SIXTEEN MEMBERS:

(I) FIVE MEMBERS OF THE SENATE, THREE APPOINTED BY THE PRESIDENT OF THE SENATE AND TWO APPOINTED BY THE MINORITY LEADER OF THE SENATE;

(II) FIVE MEMBERS OF THE HOUSE OF REPRESENTATIVES, THREE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND TWO APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES;

(III) THE CHIEF EXECUTIVE OFFICER OF PINNACOL ASSURANCE, OR HIS OR HER DESIGNEE;

(IV) A MEMBER OF THE BOARD OF DIRECTORS OF PINNACOL ASSURANCE DESIGNATED BY SUCH BOARD;

(V) THE INSURANCE COMMISSIONER OR HIS OR HER DESIGNEE; AND

(VI) EACH OF THE FOLLOWING APPOINTED JOINTLY BY THE PRESIDENT OF THE SENATE, MINORITY LEADER OF THE SENATE, SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES:

(A) A POLICYHOLDER INSURED BY PINNACOL ASSURANCE;

(B) AN INJURED WORKER; AND

(C) A MEMBER OF THE PUBLIC WHO HAS KNOWLEDGE OF THE COLORADO WORKERS' COMPENSATION SYSTEM.

(b) THE CHAIR OF THE INTERIM COMMITTEE SHALL BE APPOINTED BY THE PRESIDENT OF THE SENATE FROM AMONG THE MEMBERS APPOINTED UNDER SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (2). THE VICE-CHAIR OF THE INTERIM COMMITTEE SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES FROM AMONG THE MEMBERS APPOINTED UNDER SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (2).

(3) THE INTERIM COMMITTEE SHALL STUDY, MAKE RECOMMENDATIONS, AND REPORT FINDINGS ON ALL MATTERS RELATING TO THE OPERATION OF PINNACOL ASSURANCE INCLUDING, BUT NOT LIMITED TO, BOTH THE FEASIBILITY OF THE CONTINUED OPERATION AND THE PUBLIC POLICY IMPLICATIONS OF PINNACOL ASSURANCE AS A DIVISION OF STATE GOVERNMENT OR THE FEASIBILITY AND PUBLIC POLICY IMPLICATIONS OF SELLING PINNACOL ASSURANCE TO A WILLING THIRD-PARTY BUYER.

(4) IN CONDUCTING ITS STUDY, THE INTERIM COMMITTEE IS AUTHORIZED TO UTILIZE THE PROVISIONS OF SECTIONS 2-2-313 TO 2-2-315, C.R.S., AND RULE 33 OF THE JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES.

(5) THE LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF LEGISLATIVE LEGAL SERVICES SHALL ASSIST THE INTERIM COMMITTEE IN ITS ACTIVITIES.

(6) THE INTERIM COMMITTEE SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE LEGISLATIVE COUNCIL DURING THE 2009 INTERIM BY THE DATE SPECIFIED IN THE JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES.

(7) THE INTERIM COMMITTEE CREATED BY THIS SECTION IS SUBJECT TO THE PROVISIONS OF SECTION 2-3-303.3, C.R.S., WITH RESPECT TO THE CONDUCT OF ADDITIONAL INTERIM STUDIES.

(8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2011.

SECTION 4. 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: June 1, 2009