

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 24-0592.03 Caroline Martin x5902

SENATE BILL 24-149

SENATE SPONSORSHIP

Hinrichsen,

HOUSE SPONSORSHIP

Brown,

Senate Committees

Business, Labor, & Technology
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING WORKERS' COMPENSATION INSURANCE FOR STATE**
102 **EMPLOYEES.**

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 removes the state's ability to elect self-insurance as a means of maintaining the state employee workers' compensation account, while leaving intact the state's ability to procure commercial workers' compensation insurance to maintain the account.

The bill prohibits the state, when communicating with or reaching an agreement with a state employee about a workers' compensation claim,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
Amended 2nd Reading
April 23, 2024

from suggesting or requiring that the state employee resign from state employment or refrain from seeking or obtaining employment with the state in the future or that any other restrictions be placed on the state employee's ability to work for the state and voids any provision of a contract related to such a claim that imposes such a restriction.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-1510.7, _____
3 **add (6), (7), (8), (9), (10) and (11) as follows:**

4 **24-30-1510.7. Workers' compensation for state employees -**
5 **state employees' workers' compensation settlement agreements -**

6 **definition. (6) WHEN COMMUNICATING WITH OR REACHING AN**
7 **AGREEMENT _____ WITH A STATE EMPLOYEE ABOUT A WORKERS'**
8 **COMPENSATION CLAIM, THE STATE SHALL NEITHER SUGGEST NOR REQUIRE:**

9 (a) THAT THE STATE EMPLOYEE RESIGN FROM STATE
10 EMPLOYMENT;

11 (b) THAT THE STATE EMPLOYEE REFRAIN FROM SEEKING OR
12 OBTAINING EMPLOYMENT WITH THE STATE IN THE FUTURE; OR

13 (c) THAT ANY OTHER RESTRICTIONS BE PLACED ON THE STATE
14 EMPLOYEE'S ABILITY TO WORK FOR THE STATE.

15 (7) A PROVISION OF AN AGREEMENT, CONTRACT, OR
16 ARRANGEMENT THAT VIOLATES SUBSECTION (6) OF THIS SECTION IS VOID
17 AND UNENFORCEABLE, BUT ALL OTHER PROVISIONS OF SUCH AN
18 AGREEMENT, CONTRACT, OR ARRANGEMENT REMAIN ENFORCEABLE
19 UNLESS OTHERWISE PROHIBITED BY LAW.

20 (8) AS USED IN THIS SECTION, "STATE EMPLOYEE" MEANS AN
21 INDIVIDUAL WHO CURRENTLY IS OR WAS IN THE PAST EMPLOYED BY THE
22 STATE, WHETHER OR NOT THE INDIVIDUAL IS UNDER THE STATE
23 PERSONNEL SYSTEM OR EXEMPT FROM THE STATE PERSONNEL SYSTEM.

1 (9) PURSUANT TO THE LEGISLATIVE INTENT TO EXPLORE THE
2 AVAILABILITY OF INSURANCE POLICIES AS DECLARED IN SECTION
3 24-30-1501 (1), IF THE STATE ELECTS TO SELF-INSURE WORKERS'
4 COMPENSATION CLAIMS, THE DEPARTMENT OF PERSONNEL SHALL SEND OR
5 CAUSE TO BE SENT A REQUEST FOR INTEREST TO PINNACOL ASSURANCE
6 AND AT LEAST FIVE OTHER INSURANCE COMPANIES THAT PROVIDE
7 WORKERS' COMPENSATION INSURANCE IN COLORADO; EXCEPT THAT THE
8 DEPARTMENT OF PERSONNEL SHALL NOT SEND A REQUEST FOR INTEREST
9 TO PINNACOL ASSURANCE MORE THAN ONCE EVERY THREE YEARS. THE
10 DEPARTMENT SHALL SEND THE REQUESTS FOR INTEREST IN ACCORDANCE
11 WITH THIS SECTION IN 2026 AND AT LEAST ONCE EVERY THREE YEARS
12 THEREAFTER. EACH REQUEST FOR INTEREST MUST REQUEST THE
13 FOLLOWING INFORMATION FROM EACH RESPONDING INSURANCE COMPANY
14 FOR THE FOLLOWING CALENDAR YEAR:

15 (a) AN ESTIMATE OF THE TOTAL COST TO THE STATE TO PURCHASE
16 WORKERS' COMPENSATION INSURANCE;

17 (b) THE COMPANY'S ABILITY TO PROVIDE WORKERS'
18 COMPENSATION INSURANCE THAT WOULD COVER ALL STATE EMPLOYEES;

19 AND

20 (c) A DETAILED DESCRIPTION OF THE WORKERS' COMPENSATION
21 COVERAGE THAT THE COMPANY WOULD PROVIDE.

22 (10) FOR EACH REQUEST FOR INTEREST OBTAINED PURSUANT TO
23 SUBSECTION (9) OF THIS SECTION, THE DEPARTMENT OF PERSONNEL SHALL
24 PREPARE AND SUBMIT A REPORT TO THE GENERAL ASSEMBLY NO LATER
25 THAN DECEMBER 10 OF EACH YEAR. EACH REPORT MUST SPECIFY:

26 (a) THE NAME OF THE RESPONDING INSURANCE COMPANY, UNLESS
27 THE DEPARTMENT RECEIVED ONLY ONE RESPONSE IN WHICH CASE THE

1 NAME OF THE SOLE RESPONDING INSURANCE COMPANY WILL BE REDACTED
2 FROM THE REPORT;

3 (b) THE TOTAL COST ESTIMATED BY THE RESPONDING INSURANCE
4 COMPANY TO PROVIDE WORKERS' COMPENSATION INSURANCE COVERAGE
5 TO THE STATE;

6 (c) WHETHER PURCHASING WORKERS' COMPENSATION INSURANCE
7 FROM THE RESPONDING INSURANCE COMPANY WOULD REQUIRE THE STATE
8 TO CONTRACT WITH A THIRD-PARTY ADMINISTRATOR, AND WHAT THE
9 ADDITIONAL COST TO THE STATE WOULD BE, IF ANY;

10 (d) A DETAILED DESCRIPTION OF THE WORKERS' COMPENSATION
11 COVERAGE THAT THE RESPONDING INSURANCE COMPANY WOULD PROVIDE;

12 (e) THE COSTS ASSOCIATED WITH THE SELF-INSURANCE SELECTED
13 BY THE STATE FOR THE CURRENT CALENDAR YEAR, INCLUDING A
14 BREAKDOWN OF THAT COST WHICH MUST INCLUDE, BUT IS NOT LIMITED TO,
15 INDEMNITY BENEFITS, MEDICAL BENEFITS, COSTS PAID TO THIRD PARTY
16 ADMINISTRATORS AND AN IDENTIFICATION OF THOSE THIRD PARTY
17 ADMINISTRATORS, ACTUARIAL COSTS, PREMIUMS PAID FOR OUT OF STATE
18 INSURANCE, EACH STATE DEPARTMENT'S COSTS, ACTUAL OR ESTIMATED
19 COSTS OF LITIGATION, AND OTHER PERMITS, FEES, PAYMENTS AND
20 EXPENDITURES RELATED TO THE STATE'S SELF-INSURANCE OF WORKERS'
21 COMPENSATION CLAIMS; AND

22 (f) WHETHER THE STATE'S COSTS RELATED TO SELF-INSURANCE OF
23 WORKERS' COMPENSATION CLAIMS INCREASED OR DECREASED COMPARED
24 TO THE PREVIOUS CALENDAR YEAR.

25 (11) IN ADDITION TO THE REPORT REQUIREMENTS SPECIFIED IN
26 SUBSECTION (10) OF THIS SECTION, THE FIRST REPORT MUST SPECIFY, OVER
27 THE PREVIOUS THREE YEARS, TO WHICH INSURANCE COMPANIES THE STATE

1 SENT REQUESTS OF INTEREST, THE TOTAL NUMBER OF INSURANCE
2 COMPANIES THAT RESPONDED TO THE REQUESTS, AND THE ESTIMATED
3 COST REPORTED IN EACH RECEIVED RESPONSE, IF ANY.

4 **SECTION 2.** In Colorado Revised Statutes, 8-43-204, **add** (9) as
5 follows:

6 **8-43-204. Settlements - rules.** (9) IN ACCORDANCE WITH SECTION
7 24-30-1510.7 (6), IF THE STATE ENTERS INTO A SETTLEMENT AGREEMENT
8 WITH A STATE EMPLOYEE PURSUANT TO SUBSECTION (1) OF THIS SECTION,
9 THE STATE SHALL NEITHER SUGGEST NOR REQUIRE:

10 (a) THAT THE STATE EMPLOYEE RESIGN FROM STATE
11 EMPLOYMENT;

12 (b) THAT THE STATE EMPLOYEE REFRAIN FROM SEEKING OR
13 OBTAINING EMPLOYMENT WITH THE STATE IN THE FUTURE; OR

14 (c) THAT ANY OTHER RESTRICTIONS BE PLACED ON THE STATE
15 EMPLOYEE'S ABILITY TO WORK FOR THE STATE.

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17 **SECTION 3. Safety clause.** The general assembly finds,
18 determines, and declares that this act is necessary for the immediate
19 preservation of the public peace, health, or safety or for appropriations for
20 the support and maintenance of the departments of the state and state
21 institutions.