

CHAPTER 215

INSURANCE

HOUSE BILL 94-1266

BY REPRESENTATIVES Kreutz, Foster, Chlouber, Entz, and Lawrence;
also SENATORS Ament, Peterson, Rizzuto, Schroeder, and Wattenberg.

AN ACT**CONCERNING PREVENTION OF THE USE OF DEDUCTIBLES IN WORKERS' COMPENSATION INSURANCE
POLICIES AS A MEANS OF AVOIDING PAYMENT OF ASSESSMENTS DUE TO THE STATE.**

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

SECTION 1. Legislative declaration. It is the intent of the general assembly that payments to the major medical insurance fund and the subsequent injury fund not be reduced through the use of deductibles in workers' compensation insurance in excess of the limit set forth in section 8-44-111 (1), C.R.S. Further, it is the intent of the general assembly that any regulations adopted by the commissioner of insurance to address this issue reflect the true value of premium reductions associated with the use of deductibles in excess of such limits, that payments into the major medical insurance fund and the subsequent injury fund include the value of premium reductions attributable to the use of such deductibles, and that regulations of the insurance commissioner be crafted in a way that minimizes the administrative burden and the costs borne by both insurers and their policyholders.

SECTION 2. 10-1-109, Colorado Revised Statutes, 1987 Repl. Vol., is amended to read:

10-1-109. Rules and regulations of commissioner. (1) The commissioner may establish, and from time to time amend, such reasonable rules and regulations as are necessary to enable ~~him~~ THE COMMISSIONER to carry out ~~his~~ THE COMMISSIONER'S duties under the laws of the state of Colorado.

(2) ON OR BEFORE JANUARY 1, 1995, THE COMMISSIONER SHALL ADOPT REGULATIONS TO ENSURE THAT PAYMENTS TO THE SUBSEQUENT INJURY FUND CREATED IN SECTION 8-46-101, C.R.S., AND THE MAJOR MEDICAL INSURANCE FUND CREATED IN SECTION 8-46-202, C.R.S., FROM SURCHARGES ON PREMIUMS PAID FOR

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

POLICIES OF WORKERS' COMPENSATION INSURANCE THAT FEATURE DEDUCTIBLES IN EXCESS OF THE LIMIT SET FORTH IN SECTION 8-44-111 (1), C.R.S., REFLECT THE VALUE OF ANY REDUCTION IN PREMIUM ACHIEVED THROUGH THE USE OF SUCH DEDUCTIBLES. SUCH REGULATIONS SHALL APPLY ONLY TO CLAIMS MADE ON POLICIES ISSUED OR RENEWED AFTER THE EFFECTIVE DATE OF THE REGULATIONS. IN ADOPTING SUCH REGULATIONS, THE COMMISSIONER SHALL DETERMINE THE MOST EFFECTIVE METHOD OF ESTABLISHING THE VALUE OF DEDUCTIBLES IN EXCESS OF SUCH LIMITS AND ENSURING THAT PAYMENTS REFLECT SUCH VALUE.

SECTION 3. No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.

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: May 22, 1994