

CHAPTER 241

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**LABOR AND INDUSTRY**

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SENATE BILL 94-055

BY SENATORS Schaffer, Bishop, Mutzebaugh, Norton, R. Powers, Roberts, and Tebedo;  
also REPRESENTATIVES Dyer and Gordon.

**AN ACT**

**CONCERNING THE CALCULATION OF WORKERS' COMPENSATION INSURANCE PREMIUM RATES FOR EMPLOYERS OF EMPLOYEES INJURED OR KILLED IN MOTOR VEHICLE ACCIDENTS NOT CAUSED BY ANY FAULT OF SUCH EMPLOYERS OR EMPLOYEES.**

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

**SECTION 1.** Part 1 of article 44 of title 8, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**8-44-115. Calculation of premium - motor vehicle accidents.** (1) THE AMOUNT BY WHICH AN EMPLOYER'S EXPERIENCE RATING IS MODIFIED, IF AT ALL, AS THE RESULT OF A MOTOR VEHICLE ACCIDENT IN WHICH AN EMPLOYEE IS INJURED OR KILLED SHALL BE REDUCED IN ACCORDANCE WITH THIS SECTION IF:

(a) THE EMPLOYEE IS ENTITLED TO BENEFITS UNDER ARTICLES 40 TO 47 OF THIS TITLE; AND

(b) THE ACCIDENT WAS NOT CAUSED, WHOLLY OR IN PART, BY THE EMPLOYEE OR THE EMPLOYER; AND

(c) THE USE OF A MOTOR VEHICLE IS NOT AN INTEGRAL PART OF THE EMPLOYER'S BUSINESS, AS DETERMINED UNDER RULES PROMULGATED BY THE COMMISSIONER OF INSURANCE UNDER SECTION 10-4-408 (5) (e), C.R.S.

(2) (a) ANY MODIFICATION OF AN EMPLOYER'S EXPERIENCE RATING RESULTING FROM AN ACCIDENT DESCRIBED IN SUBSECTION (1) OF THIS SECTION SHALL REFLECT THE DEDUCTION OF A LOSS LIMITATION, THE AMOUNT OF WHICH SHALL BE DETERMINED BY THE COMMISSIONER OF INSURANCE UNDER RULES ADOPTED

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

PURSUANT TO SECTION 10-4-408 (5) (e), C.R.S.

(b) ALL LOSS EXPERIENCE REMAINING AFTER DEDUCTION OF THE LOSS LIMITATION REFERRED TO IN PARAGRAPH (a) OF THIS SUBSECTION (2) SHALL BE DISTRIBUTED AMONG ALL WORKERS' COMPENSATION CLASSIFICATIONS IN USE IN THE STATE AS DETERMINED BY THE COMMISSIONER OF INSURANCE. FOR PURPOSES OF SUCH DISTRIBUTION, CLASSIFICATIONS OF BUSINESSES OF WHICH USE OF A MOTOR VEHICLE IS AN INTEGRAL PART MAY BE TREATED DIFFERENTLY FROM CLASSIFICATIONS OF BUSINESSES OF WHICH USE OF A MOTOR VEHICLE IS NOT AN INTEGRAL PART.

(3) THIS SECTION APPLIES TO ALL INSURERS, INCLUDING THE COLORADO COMPENSATION INSURANCE AUTHORITY CREATED IN SECTION 8-45-101, OFFERING WORKERS' COMPENSATION INSURANCE UNDER ARTICLES 40 TO 47 OF THIS TITLE. THE PROVISIONS OF THIS SECTION SHALL BE DISCLOSED TO ALL POLICYHOLDERS ANNUALLY.

**SECTION 2.** 10-4-408 (5), Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**10-4-408. Rating organization - study of workers' compensation rates - premium reductions.** (5) (e) ON OR BEFORE OCTOBER 1, 1994, THE COMMISSIONER SHALL PROMULGATE RULES WHICH ESTABLISH, FOR PURPOSES OF SECTION 8-44-115, C.R.S., STANDARDS FOR DETERMINING:

(I) WHEN A MOTOR VEHICLE ACCIDENT HAS NOT BEEN CAUSED, WHOLLY OR IN PART, BY AN EMPLOYEE OR THE EMPLOYER OF SUCH EMPLOYEE;

(II) A LOSS LIMITATION TO BE INCLUDED IN THE CALCULATION OF WORKERS' COMPENSATION INSURANCE EXPERIENCE MODIFICATIONS WHEN A MOTOR VEHICLE ACCIDENT HAS NOT BEEN CAUSED, WHOLLY OR IN PART, BY AN EMPLOYEE OR THE EMPLOYER OF SUCH EMPLOYEE;

(III) THE DISTRIBUTION, AMONG WORKERS' COMPENSATION CLASSIFICATIONS, OF ANY LOSS REMAINING AFTER DEDUCTION OF THE LOSS LIMITATION ESTABLISHED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH (e); AND

(IV) (A) WHEN THE USE OF A MOTOR VEHICLE IS AN INTEGRAL PART OF AN EMPLOYER'S BUSINESS.

(B) RULES PROMULGATED PURSUANT TO THIS SUBPARAGRAPH (IV) SHALL BE BASED ON THE JOB CLASSIFICATION SYSTEM FOR WORKERS' COMPENSATION INSURANCE IN USE ON JANUARY 1, 1994.

**SECTION 3. Effective date - applicability.** This act shall take effect October 1, 1994, and shall apply to all claims for injuries occurring on or after said date.

**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 25, 1994