

CHAPTER 324

LABOR AND INDUSTRY

SENATE BILL 09-037

BY SENATOR(S) Kopp, Brophy, Gibbs, Groff, Kester, King K., Lundberg, Mitchell, Newell, Penry, Renfroe, Sandoval, Scheffel, Schultheis, Williams, Boyd;
also REPRESENTATIVE(S) McNulty, Gardner B., Kerr J., Priola, Rice.

AN ACT**CONCERNING FUNDING FOR CERTAIN WORKERS' COMPENSATION FUNDS.**

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

SECTION 1. 8-46-102 (2) (a) (I) and (3) (a), Colorado Revised Statutes, are amended to read:

8-46-102. Funding for subsequent injury fund and major medical insurance fund. (2) (a) (I) Notwithstanding ~~the provisions of~~ sections 10-3-209 (1) (c) and 10-6-128 (3), C.R.S., for the purpose of funding the financial liabilities of the subsequent injury fund pursuant to this section and of the major medical insurance fund pursuant to section 8-46-202, every person, partnership, association, and corporation, whether organized under the laws of this state or of any other state or country, every mutual company or association, every captive insurance company, and every other insurance carrier, including Pinnacle Assurance, insuring employers in this state against liability for personal injury to their employees or death caused thereby under the provisions of articles 40 to 47 of this title shall, as provided in this subsection (2), be levied a tax upon the premiums received in this state, whether or not in cash, or on account of business done in this state for such insurance in this state at a rate ~~not to exceed three and one-quarter percent until the balance in either or both funds exceeds the estimated actuarial present value of future claim payments~~ DETERMINED BY THE DIRECTOR TO GENERATE SUFFICIENT REVENUE FOR CLAIM PAYMENTS AND DIRECT AND INDIRECT COSTS OF ADMINISTRATION THAT ARE ANTICIPATED TO BE SUBMITTED IN THE FOLLOWING STATE FISCAL YEAR for which such ~~fund is~~ FUNDS ARE liable. ~~after which time said surcharge shall be reduced or eliminated, as the case may be, as determined by the director in accordance with subsection (3) of this section.~~ IN DETERMINING THE RATE, THE DIRECTOR SHALL, IN ADDITION TO REVENUE FOR CLAIM PAYMENTS AND DIRECT AND INDIRECT COSTS OF

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

ADMINISTRATION THAT ARE ANTICIPATED TO BE DUE IN THE FOLLOWING STATE FISCAL YEAR, MAINTAIN A CASH BALANCE IN BOTH THE MAJOR MEDICAL INSURANCE FUND AND THE SUBSEQUENT INJURY FUND OF AN AMOUNT OF OTHERWISE UNRESTRICTED REVENUES EQUAL TO APPROXIMATELY ONE YEAR'S WORTH OF CLAIM PAYMENTS AND DIRECT AND INDIRECT ADMINISTRATIVE COSTS. Such insurance carriers shall be credited with all cancelled or returned premiums actually refunded during the year of such insurance.

(3) (a) As determined by the director, a portion of the revenue received each year pursuant to subsection (2) of this section shall be deposited into the subsequent injury fund, established in section 8-46-101 (1) (b), ~~based upon the direct and indirect costs of administration of such fund and projections of benefit payments and settlements of benefit claims. The remaining revenue~~ AND A PORTION shall be deposited into the major medical insurance fund, established in section 8-46-202 (1). IN ADDITION, THE DIRECTOR MAY MOVE REVENUE BETWEEN THE FUNDS WHEN THE DIRECTOR DETERMINES THAT DOING SO IS NECESSARY. THE DIRECTOR SHALL CONTINUE TO ESTABLISH A SURCHARGE RATE PURSUANT TO SUBSECTION (2) OF THIS SECTION until the balance in BOTH such ~~fund exceeds the estimated actuarial present value of~~ FUNDS IS SUFFICIENT TO MEET THE future claim payments plus the amount necessary to pay the direct and indirect costs of administration of the ~~fund, at which time such revenue shall be deposited into the subsequent injury fund. Revenue shall continue to be deposited into the subsequent injury fund until the balance in such fund exceeds the estimated actuarial present value of future claim payments~~ FUNDS, at which time the surcharge rate established in paragraph (a) of subsection (2) of this section shall be reduced to zero.

SECTION 2. Act subject to petition - effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, (August 5, 2009, if adjournment sine die is on May 6, 2009); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to acts occurring on or after the applicable effective date of this act.

Approved: June 1, 2009