AN ACT

CONCERNING INCREASED PENALTIES FOR VIOLATIONS OF THE WORKERS’ COMPENSATION LAWS.

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

SECTION 1. 8-43-304 (1), Colorado Revised Statutes, is amended to read:

8-43-304. Violations - penalty - offset for benefits obtained through fraud - rules. (1) Any employer or insurer, or any officer or agent of either, or any employee, or any other person who violates any provision of articles 40 to 47 of this title, or does any act prohibited thereby, or fails or refuses to perform any duty lawfully enjoined within the time prescribed by the director or panel, for which no penalty has been specifically provided, or fails, neglects, or refuses to obey any lawful order made by the director or panel or any judgment or decree made by any court as provided by said articles shall be subject to such order being reduced to judgment by a court of competent jurisdiction and shall also be punished by a fine of not more than one thousand dollars per day for each such offense, seventy-five percent payable at the discretion of the director or administrative law judge, between the aggrieved party and twenty-five percent to the subsequent injury fund created in section 8-44-112 (7) (a); except that the amount apportioned to the aggrieved party shall be a minimum of fifty percent of any penalty assessed.

SECTION 2. 8-43-401 (2) (a), Colorado Revised Statutes, is amended to read:

8-43-401. Attorney general, district attorney, or attorney of division to act for director or office - penalties for failure of insurer to pay benefits. (2) (a) After all appeals have been exhausted or in cases where there have been no

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
appeals, all insurers and self-insured employers shall pay benefits within thirty days
of when any benefits are due. If any insurer or self-insured employer
willfully delays payment of medical benefits for more than thirty days or willfully stops payments, such insurer or self-insured employer shall
pay a penalty to the division of eight percent of the amount of wrongfully withheld
benefits; except that no penalty is due if the insurer or self-insured employer proves that the delay was the result of excusable neglect. If
any insurer or self-insured employer willfully withholds permanent partial disability
benefits within thirty days of when due, the insurer or self-insured employer shall
pay a penalty to the division of ten percent of the amount of such benefits due. The
penalties shall be apportioned, in whole or part, at the discretion of the
director or administrative law judge, among the aggrieved party, the
medical services provider, and the workers' compensation cash fund created in section 8-44-112 (7) (a).

SECTION 3. 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 (August 11, 2010,
if adjournment sine die is on May 12, 2010); except that, if a referendum petition
is filed pursuant to section 1 (3) of article V of the state constitution against this act
or an item, section, or part of this act within such period, then the act, item, section,
or part shall not take effect unless approved by the people at the general election to
be held in November, 2010, and shall take effect on the date of the official
declaration of the vote thereon by the governor.

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

Approved: May 26, 2010