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SENATE BILL 24-149

BY SENATOR(S) Hinrichsen, Cutter, Exum, Kolker, Michaelson Jenet, Sullivan;

also REPRESENTATIVE(S) Brown, Boesenecker, Clifford, Epps, Froelich, Garcia, Jodeh, Kipp, Lieder, Lindsay, Mabrey, Rutinel, Titone, Valdez, Velasco, Willford, McCluskie.

CONCERNING WORKERS' COMPENSATION INSURANCE FOR STATE EMPLOYEES.

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

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

24-30-1510.7. Workers' compensation for state employees - state employees' workers' compensation settlement agreements - definition.

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

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

(b) THAT THE STATE EMPLOYEE REFRAIN FROM SEEKING OR

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

OBTAINING EMPLOYMENT WITH THE STATE IN THE FUTURE; OR

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

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

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

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

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

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

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

(10) FOR EACH REQUEST FOR INTEREST OBTAINED PURSUANT TO

SUBSECTION (9) OF THIS SECTION, THE DEPARTMENT OF PERSONNEL SHALL PREPARE AND SUBMIT A REPORT TO THE GENERAL ASSEMBLY NO LATER THAN DECEMBER 10 OF EACH YEAR. EACH REPORT MUST SPECIFY:

(a) THE NAME OF THE RESPONDING INSURANCE COMPANY, UNLESS THE DEPARTMENT RECEIVED ONLY ONE RESPONSE IN WHICH CASE THE NAME OF THE SOLE RESPONDING INSURANCE COMPANY WILL BE REDACTED FROM THE REPORT;

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

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

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

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

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

(11) IN ADDITION TO THE REPORT REQUIREMENTS SPECIFIED IN SUBSECTION (10) OF THIS SECTION, THE FIRST REPORT MUST SPECIFY, OVER THE PREVIOUS THREE YEARS, TO WHICH INSURANCE COMPANIES THE STATE SENT REQUESTS OF INTEREST, THE TOTAL NUMBER OF INSURANCE

COMPANIES THAT RESPONDED TO THE REQUESTS, AND THE ESTIMATED COST REPORTED IN EACH RECEIVED RESPONSE, IF ANY.

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

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

- (a) THAT THE STATE EMPLOYEE RESIGN FROM STATE EMPLOYMENT;
- (b) THAT THE STATE EMPLOYEE REFRAIN FROM SEEKING OR OBTAINING EMPLOYMENT WITH THE STATE IN THE FUTURE; OR
- (c) THAT ANY OTHER RESTRICTIONS BE PLACED ON THE STATE EMPLOYEE'S ABILITY TO WORK FOR THE STATE.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Steve Fenberg
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO