

DRAFT  
10.1.09

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

**BILL 2**

LLS NO. 10-0216.01 Bart Miller

**INTERIM COMMITTEE BILL**

**Interim Committee to Study Issues Related to Pinnacol Assurance**

**SHORT TITLE: "Pinnacol Assurance Functions"**

**A BILL FOR AN ACT**

101 **CONCERNING THE FUNCTIONING OF PINNACOL ASSURANCE, AND, IN**  
102 **CONNECTION THEREWITH, ADDING ADDITIONAL MEMBERS TO**  
103 **THE BOARD OF DIRECTORS OF PINNACOL ASSURANCE AND**  
104 **CHANGING PER DIEM COMPENSATION FOR MEMBERS OF SUCH**  
105 **BOARD OF DIRECTORS.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Interim Committee to Study Issues Related to Pinnacol Assurance. The bill:**

*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

- Increases the number of members of the board of directors of Pinnacol Assurance from 9 to 11;
- Makes the chief executive officer of Pinnacol Assurance an ex officio voting member of the board of directors;
- Adds an insurance agent who sells Pinnacol Assurance workers' compensation insurance policies as a member of the board;
- Increases the per diem compensation paid to members of the Pinnacol Assurance board of directors from \$140 per meeting to \$1,500 per meeting; and
- Reduces the cap from 30 days to 20 days on the number of days of meetings annually for which board members may be compensated.

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

2           **SECTION 1.** 8-45-101 (2) (a) and (3), Colorado Revised Statutes,  
3 are amended to read:

4           **8-45-101. Pinnacol Assurance - creation - powers and duties.**

5 (2) (a) The powers of Pinnacol Assurance shall be vested in the board of  
6 directors of Pinnacol Assurance, which shall have ~~nine~~ ELEVEN members.  
7 The members of the board shall be appointed by the governor with the  
8 consent of the senate. Of the ~~nine~~ ELEVEN members, ONE SHALL BE THE  
9 CHIEF EXECUTIVE OFFICER OF PINNACOL ASSURANCE, WHO SHALL SERVE  
10 AS AN EX OFFICIO VOTING MEMBER OF THE BOARD OF DIRECTORS; ONE  
11 SHALL BE AN INSURANCE AGENT THAT SELLS PINNACOL ASSURANCE  
12 WORKERS' COMPENSATION INSURANCE POLICIES; AND four shall be  
13 employers whose liability under articles 40 to 47 of this title is insured by  
14 Pinnacol Assurance with one of such employers to be a farmer or rancher.  
15 Three of the ~~nine~~ ELEVEN members shall be employees of employers  
16 whose liability under articles 40 to 47 of this title is insured by Pinnacol  
17 Assurance. One of the ~~nine~~ ELEVEN members shall be experienced in the  
18 management and operation of insurance companies as defined in section

1 10-1-102 (6), C.R.S. Such member shall not concurrently serve as an  
2 owner, a shareholder, an officer, an employee, an agent of, or in any other  
3 capacity with any business ~~which~~ THAT competes with Pinnacol  
4 Assurance. One of the ~~nine~~ ELEVEN members shall be experienced in  
5 finance or investments, but shall not be an employer whose liability under  
6 articles 40 to 47 of this title is insured by Pinnacol Assurance. The term  
7 of office for each such member shall be five years. The appointees may  
8 serve on a temporary basis if the senate is not in session when they are  
9 appointed until the senate is in session and is able to confirm such  
10 appointments. Vacancies on the board shall be filled by appointment of  
11 the governor for the remainder of any unexpired terms. The board shall  
12 elect a ~~chairman~~ CHAIR annually from its membership.

13 (b) The members of the board who were serving as of ~~January 1,~~  
14 ~~2002~~ AUGUST 1, 2010, shall continue to serve until the completion of  
15 each member's term. New members of the board shall be appointed  
16 pursuant to paragraph (a) of this subsection (2).

17 (3) Members of the board shall be compensated ~~one hundred forty~~  
18 ONE THOUSAND FIVE HUNDRED dollars per diem plus their actual and  
19 necessary expenses. Per diem compensation, not to exceed ~~thirty~~ TWENTY  
20 days in any calendar year, shall be paid only when the board OR AN  
21 OFFICIALLY CONSTITUTED COMMITTEE OF THE BOARD is transacting  
22 official business.

23 **SECTION 2. Act subject to petition - effective date.** This act  
24 shall take effect at 12:01 a.m. on the day following the expiration of the  
25 ninety-day period after final adjournment of the general assembly (August  
26 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a  
27 referendum petition is filed pursuant to section 1 (3) of article V of the

1 state constitution against this act or an item, section, or part of this act  
2 within such period, then the act, item, section, or part shall not take effect  
3 unless approved by the people at the general election to be held in  
4 November 2010 and shall take effect on the date of the official  
5 declaration of the vote thereon by the governor.