

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 13-0209.01 Bart Miller x2173

HOUSE BILL 13-1025

HOUSE SPONSORSHIP

Swalm,

SENATE SPONSORSHIP

Jahn,

House Committees

Business, Labor, Economic, & Workforce Development

Senate Committees

Judiciary

A BILL FOR AN ACT

101 **CONCERNING AN INCREASE IN THE AMOUNT OF THE AUTHORIZED**
102 **DEDUCTIBLE FOR WORKERS' COMPENSATION INSURANCE**
103 **POLICIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current workers' compensation law allows employers a deductible of up to \$5,000 in a workers' compensation policy. This bill increases the amount of the authorized deductible up to the amount of the workers' compensation insurance rate split point approved by the commissioner of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 2, 2013

HOUSE
3rd Reading Unamended
February 20, 2013

HOUSE
Amended 2nd Reading
February 19, 2013

insurance.

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

2 **SECTION 1.** In Colorado Revised Statutes, 8-44-111, **amend** (1)
3 as follows:

4 **8-44-111. Workers' compensation insurance - deductibles -**
5 **definition.** (1) (a) Any employer may agree, as a condition of any
6 contract for the insurance of compensation and benefits as provided in
7 articles 40 to 47 of this title or against liability therefor, to pay an amount
8 not to exceed ~~five thousand dollars~~ THE SPLIT POINT APPROVED BY THE
9 COMMISSIONER OF INSURANCE per claim toward the total amount of any
10 claim payable under articles 40 to 47 of this title. The amount of premium
11 to be paid by an employer who agrees to pay such deductible shall be
12 reduced based upon such deductible in an amount determined by the
13 insurance carrier.

14 (b) AS USED IN THIS SUBSECTION (1), "SPLIT POINT" MEANS THE
15 AMOUNT OF EACH LOSS APPROVED BY THE COMMISSIONER OF INSURANCE
16 THAT AN INSURER MAY APPLY AS THE PRIMARY LOSS IN EACH WORKERS'
17 COMPENSATION CLAIM. THE FULL AMOUNT OF PRIMARY LOSSES COUNTS
18 IN EACH EMPLOYER'S EXPERIENCE MODIFICATION CALCULATION THAT
19 DETERMINES THE EMPLOYER'S PERCENTAGE CREDIT OR SURCHARGE ON
20 WORKERS' COMPENSATION COVERAGE. THE LOSS AMOUNT ABOVE THE
21 SPLIT POINT IS EXCESS LOSS AND CONSTITUTES PART OF EACH EMPLOYER'S
22 EXPERIENCE MODIFICATION CALCULATION.

23 (c) NOTHING IN THIS SECTION ABROGATES AN EMPLOYER'S
24 RESPONSIBILITY TO PAY THE FULL AMOUNT OF ANY COMPENSATION AND
25 BENEFITS DUE UNDER ARTICLES 40 TO 47 OF THIS TITLE. IT IS A VIOLATION

1 OF THIS TITLE FOR AN EMPLOYER OR, IF INSURED, THE INSURER TO REQUIRE
2 ANY EMPLOYEE TO PAY ANY PART OF THE COMPENSATION AND BENEFITS
3 DUE UNDER ARTICLES 40 TO 47 OF THIS TITLE.

4 (d) IT IS A VIOLATION OF THIS TITLE FOR AN EMPLOYER OR, IF
5 INSURED, THE INSURER TO REQUIRE AN EMPLOYEE TO USE ANY OTHER
6 TYPE OF INSURANCE, REGARDLESS OF WHETHER IT IS PROVIDED AS A
7 BENEFIT OF EMPLOYMENT, OR ANY OTHER EMPLOYMENT BENEFIT, TO PAY
8 ANY PORTION OF ANY COMPENSATION AND BENEFITS DUE UNDER ARTICLES
9 40 TO 47 OF THIS TITLE.

10 (e) NOTHING IN THIS SUBSECTION (1) ALLOWS A CARRIER TO STOP
11 OFFERING NO-DEDUCTIBLE POLICIES.

12 **SECTION 2. Effective date - applicability.** This act takes effect
13 July 1, 2013, and applies to new and renewing workers' compensation
14 insurance policies on or after said date.

15 **SECTION 3. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.