

Proposed Legislative Language

Amend § 8-45-101(5):

The board shall:

...(f) Offer to provide workers' compensation insurance and employer's liability insurance covering any liability of Colorado employers on account of personal injuries sustained by, or the death of, any employee. Nothing in this article shall be interpreted to permit Pinnacol Assurance to provide any other type of insurance or to provide insurance to employers that are not Colorado employers, EXCEPT THAT A SUBSIDIARY OF PINNACOL ASSURANCE AS AUTHORIZED BY SECTION 8-45-117(10), C.R.S., MAY OFFER TO PROVIDE INSURANCE AS SPECIFIED IN SUBSECTION (B) OF SECTION 8-45-117(10), C.R.S. Pinnacol Assurance shall not refuse to insure any Colorado employer or cancel any COLORADO insurance policy due to the risk of loss or amount of premium, except as otherwise provided in this title.

Amend and add to § 8-45-117(10):

(a) Pinnacol Assurance shall not ORGANIZE, acquire or control any other insurer THAT PROVIDES WORKERS' COMPENSATION INSURANCE OR EMPLOYER'S LIABILITY INSURANCE COVERING ANY LIABILITY OF COLORADO EMPLOYERS ON ACCOUNT OF PERSONAL INJURIES SUSTAINED BY, OR THE DEATH OF, ANY COLORADO EMPLOYEE.

(B) SUBJECT TO THE LIMITATIONS OF SUBSECTION (A) OF THIS SECTION, PINNACOL ASSURANCE, AS A DOMESTIC INSURER, MAY ORGANIZE OR ACQUIRE ONE OR MORE SUBSIDIARIES SUBJECT TO THE PROVISIONS OF SECTION 10-3-802, C.R.S. AND SUBJECT TO THE FOLLOWING ADDITIONAL LIMITATIONS: ANY SUCH SUBSIDIARY MAY PROVIDE ONLY THE FOLLOWING TYPES OF INSURANCE AND SERVICES AND ONLY IN STATES OTHER THAN COLORADO: (I) WORKERS' COMPENSATION INSURANCE AND EMPLOYER'S LIABILITY INSURANCE COVERING ANY LIABILITY OF EMPLOYERS ON ACCOUNT OF PERSONAL INJURIES SUSTAINED BY, OR THE DEATH OF, ANY EMPLOYEE; (II) OTHER SERVICES RELATED TO THE OPERATIONS OF AN INSURANCE BUSINESS SUCH AS THOSE PINNACOL ASSURANCE MAY SELL PURSUANT TO 8-45-101(7), C.R.S. AND AS SPECIFIED IN SECTIONS 10-3-802(1)(G) AND (K), C.R.S.; AND (III) COOPERATIVE ARRANGEMENTS WITH ANY PUBLIC OR PRIVATE ENTITY FOR THE PURPOSE OF CARRYING OUT SUCH SUBSIDIARY'S POWERS, DUTIES, AND FUNCTIONS ESTABLISHED IN THIS SUBSECTION (B) OF THIS SECTION SUCH AS PINNACOL ASSURANCE MAY ENTER INTO PURSUANT TO 8-45-101(11), C.R.S.

(more)

Contact: Edie Sonn, Pinnacol Assurance (720) 201-7307, edie.sonn@pinnacol.com
Virginia Morrison Love (303) 882-8717, vamlove@aol.com
Will Coyne, (720) 308-7931, will@headwatersstrategies.com
Adam Eichberg, (303) 204-6930, adam@headwatersstrategies.com

(C) THE BOARD OF DIRECTORS OF ANY SUCH SUBSIDIARY OF PINNACOL ASSURANCE AUTHORIZED BY SUBSECTION (10)(B) OF THIS SECTION SHALL HAVE SEVEN MEMBERS APPOINTED BY PINNACOL ASSURANCE. OF THE SEVEN MEMBERS, FOUR SHALL BE INDEPENDENT MEMBERS. OF THE THREE NON-INDEPENDENT MEMBERS, ONE SHALL BE PINNACOL ASSURANCE'S CHIEF EXECUTIVE OFFICER, WHO SHALL SERVE AS THE CHAIRPERSON OF THE SUBSIDIARY'S BOARD, AND TWO SHALL BE MEMBERS OF THE PINNACOL ASSURANCE BOARD OF DIRECTORS WHO HAVE BEEN APPOINTED TO SUCH BOARD PURSUANT TO THE PROVISIONS OF SECTION 8-45-101(2)(A), C.R.S. PINNACOL ASSURANCE'S CHIEF EXECUTIVE OFFICER SHALL SERVE ON THE SUBSIDIARY'S BOARD OF DIRECTORS WITHOUT COMPENSATION FOR SUCH SUBSIDIARY BOARD SERVICE.

(D) THE INVESTMENT BY PINNACOL ASSURANCE IN ALL SUBSIDIARIES AUTHORIZED BY SUBSECTION (10)(B) OF THIS SECTION SHALL BE SUBJECT TO THE PROVISIONS OF SECTIONS 10-3-802(2) TO (7), C.R.S., AND THE AMOUNT OF SUCH INVESTMENTS AT THE TIMES MADE SHALL NOT EXCEED, IN THE AGGREGATE, MORE THAN THREE PERCENT (3%) OF PINNACOL ASSURANCE'S ADMITTED ASSETS.

(E) ANY SUBSIDIARY OF PINNACOL ASSURANCE AS AUTHORIZED BY SECTION 8-45-117(10)(B), C.R.S. SHALL BE SUBJECT TO REGULATION BY THE COMMISSIONER OF INSURANCE TO THE SAME EXTENT AS ANY OTHER INSURER.

(F) ANY SUBSIDIARY OF PINNACOL ASSURANCE AS AUTHORIZED BY SECTION 8-45-117(10)(B), C.R.S. SHALL BE A FOR-PROFIT, TAXABLE ENTITY THAT SHALL NOT BE A POLITICAL SUBDIVISION OF THE STATE.

(G) ANY TRANSACTION BETWEEN PINNACOL ASSURANCE AND ANY SUBSIDIARY AS AUTHORIZED BY SECTION 8-45-117(10)(B), C.R.S. SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 10-3-805, C.R.S.