

24 hour coverage

If the employer chooses to provide life, health and disability insurance coverage in lieu of workers compensation he then would go through a process for an offer and acceptance by the employees. Acceptance is then binding on the employees. The employer then would then certify that a proper offer and acceptance has occurred and notify the Division of Workers' Compensation or the Division of Insurance that an alternative funding approach has been implemented and of the coverages to be provided.

Employers would retain the right to return to coverages provided by the existing workers' compensation act on each anniversary date of the alternative coverages with certain limitations. This will prevent undue hardship if the cost of alternative coverages become prohibitive.

The highlights of the minimum coverage are:

24 hour health coverage for accidents or illness. The coverage must provide for payment of 100% coverage for occupational accident or illnesses. The maximum deductible and co-pays of the coverage is set at \$2,500, paid by the employer for work related injuries and illness, by the employee for non-work related. Buy-down of the deductible would be offered to the employee, at the employee's expense.

Dependent coverage shall be offered to the employee and the employer would contribute 50% of any savings over utilizing the traditional workers compensation coverage.

24 hour coverage in the amount of \$100,000 life insurance plus \$150,000 accidental death and dismemberment coverage. This provides for lump sum settlements up to \$150,000 due to loss of limbs or sight, \$250,000 death benefit due to accidents, and \$100,000 death benefit due to any illness. Coverage would be subject to annual COLAs.

24 hour coverage of short-term and long-term disability coverage to cover wage replacement at 66 2/3 of earnings.

A minimum retraining benefit is provided to create a back to work incentive through rehabilitation, which if through State Vocational Rehabilitation, a benefit of \$7,500, to allow receiving a 4 to 1 Federal match on funding (\$30,000), unless employee will be placed on a waiting list in which case they shall go to the private sector to receive immediate services with a maximum benefit of \$25,000.

All coverage would be guaranteed issue, community rated. Require availability of risk management services through the insurer and provide incentives for employers to maintain a certified risk management program and allow premium surcharges for/to employers who do not institute a workplace safety program and/or maintain safe workplace environment. Establish a major medical disaster insurance fund to provide medical benefits for claims in which medical costs exceed one million dollars.

The cost of this type of coverage is, in most cases, less costly than workers' compensation. A 15 year effort at providing these coverages has demonstrated this is equal to or less than the current costs of workers' compensation for a large number of Colorado's Employers. This would eliminate "double coverage" experienced by employers who currently provide health insurance to employees. There would also be reduced administrative and claim investigation costs trying to sort out what is work-related or not, and will virtually eliminate the litigation that plagues the workers' compensation system.