

# DEPARTMENT OF LABOR AND EMPLOYMENT

## Division of Workers' Compensation

7 CCR 1101-3

### WORKERS' COMPENSATION RULES OF PROCEDURE

#### Rule 3 Insurance Coverage

##### 3-1 REPORTING REQUIREMENTS FOR INSURANCE CARRIERS AND EMPLOYERS

- (A) The Division designates the National Council on Compensation Insurance, Inc. (NCCI) as its agent to receive, process, and make available to the Division, the required notices in subsections (2), (3) and (4) below. Insurance carriers shall transmit this data and all other data elements in the electronic format as directed by the Division through NCCI.
- (B) Every insurance carrier shall advise the Division, by filing with NCCI, notice of the issuance or renewal of insurance coverage within thirty (30) calendar days of the effective date of coverage.
- (C) Every insurance carrier shall advise the Division, by filing with NCCI, final notice of the cancellation of insurance coverage no later than thirty (30) calendar days after coverage is actually canceled. This subsection does not pertain to the preliminary notice of cancellation referenced in §8-44-110, C.R.S.
- (D) Every employer shall provide on request to its insurance carrier all federal employer identification number(s) ("FEINS") or other taxpayer identification number(s) for all the employer's business operations, client companies, and/or any other similar employing entities, in Colorado to which the insurance applies. All changes in FEIN or other taxpayer I.D. numbers shall be reported immediately to the insurance carrier. The insurance carrier shall report all changes in FEINS and taxpayer I.D. numbers to NCCI within thirty (30) calendar days of receipt.
- (E) For purposes of the performance of the Director's responsibilities under §8-43-409, the prehearing conference and any hearing that the Director may determine necessary as referenced in §8-43-409(1), may be conducted, as determined by the Director, by any competent person appointed by the Director under § 8-43-208 or § 8-47-101 or by such other person as the Director may designate.

##### 3-2 CARRIER REPRESENTATIVE

Every insurance carrier shall notify the Division's designated agent of the name, address and telephone number of its representative responsible for reporting coverage information. This information shall be provided within thirty (30) days upon request of either the Division or its agent, or within thirty (30) days of a change in the information.

##### 3-3 SELF-INSURED EMPLOYERS

- (A) Any pool authorized to self-insure shall advise the Division in writing of the effective date of self-insurance, the name and address of the pool administrator and the federal employer identification number of each covered member. This information shall be provided within thirty (30) days upon request of either the Division or its agent, or within thirty (30) days of a change in the information.

- (B) All individual self-insurance permit holders shall advise the Division in writing of the federal employer identification number of the permit holder as well as of all covered subsidiaries. This information shall be provided within thirty (30) days upon request of either the Division or its agent, or within thirty (30) days of a change in the information.

**3-4 ELECTION TO REJECT COVERAGE**

- (A) An officer of a corporation or a member of a Limited Liability Company who elects to reject the provisions of the Act under §8-41-202, C.R.S., shall complete the Division prescribed form and send it or a substantial equivalent, to the insurance carrier for the corporation's or company's other employees, if any, by certified mail. An agricultural corporation electing to reject coverage for its corporate officers pursuant to §8-40-302(6), C.R.S., shall notify the insurance carrier in writing. If there is no insurance carrier, such documents shall be provided, by certified mail, to the Division.
- (B) The Notice of Election to Reject Coverage shall become effective the next business day following receipt of the notice by the insurance carrier or, if none, by the Division.

**3-5 NOTICES TO EMPLOYEES**

- (A) Every employer shall continuously post a notice to employees in one or more conspicuous places on the employer's work site advising employees that the employer is insured for workers' compensation as required by law, identifying the name of the employer's insurance carrier or stating that the employer is self-insured, and containing information about the Colorado workers' compensation system on a form prescribed or approved by the Division and furnished by the carrier or self-insured.
- (B) Every employer also shall continuously post a notice to employees in one or more conspicuous places on the employer's work site advising employees that written notice must be given to an employer within 4 working days after an injury as set forth in §8-43-102(1) or (1.5), C.R.S.

**3-6 FINES FOR DEFAULTING EMPLOYER**

- (A) Following the Director's determination that an employer has failed to obtain the required insurance or has failed to keep such insurance in force or has allowed the insurance to lapse or has failed to renew such insurance, the Director will impose fines on the defaulting employer and/or will compel the employer to cease and desist its business operations.
- (B) For the Director's initial finding that an employer is or was in default of its insurance obligations, daily fines up to \$250/day for each day of default will be assessed in accordance with the following schedule of fines until the employer complies with the requirements of the Workers' Compensation Act regarding insurance or until further order of the Director:

Class I	1-20 Days	\$ 5/Day
Class II	21-25 Days	\$10/Day
Class III	26-30 Days	\$30/Day

Class IV	31-35 Days	\$50/Day
Class V	36-40 Days	\$100/Day
Class VI	41 Days >	\$250/Day

- (C) Where the Director determines that an employer was required to but did not have a policy of workers' compensation insurance in place during any period between July 1, 2005 and the date the employer is served with a Notice to Show Compliance and where such employer has not previously been sent a Notice to Show Compliance, the Director may regard such violation as a Class 1 violation under this Rule 3 (B) and impose the fine therein provided for each day of the employer's default during such period.
- (D) For the Director's finding of an employer's second and all subsequent defaults in its insurance obligations, daily fines from \$250/day up to \$500/day for each day of default will be assessed in accordance with the following schedule of fines until the employer complies with the requirements of the Workers' Compensation Act regarding insurance or until further order of the Director:

Class VII	1- 20 Days	\$250/Day
Class VIII	21-25 Days	\$260/Day
Class IX	26-30 Days	\$280/Day
Class X	31-35 Days	\$300/Day
Class XI	36-40 Days	\$400/Day
Class XII	41 Days >	\$500/Day