



Workers' Compensation Program

Colorado Special Districts Property & Liability Pool has created its own workers' compensation pool. The special districts now have a more competitive option compared to the rates offered by traditional compensation carriers. Premium contributions are paid into the pool and claim costs are paid from the pooled funds. An actuarial evaluation is made annually to assure the adequacy of reserves for future claim payments.

Loss control services are available from Colorado SDP&LP through County Technical Services, Inc. (CTSI), McGriff, Seibels, & Williams and a network of independent consultants located strategically around the state. Services include, but are not limited to, assistance in the development and implementation of safety programs, compliance with the Americans with Disabilities Act (ADA), hazard communications, and early return-to-work programs.

Procedure:

- ◆ Your special district must be a member in good standing of the Colorado SDP&LP
- ◆ Workers' compensation specifications should be submitted on Pool Applications. Complete **all** sections with supporting information attached. Applications must be signed and submitted to our Pool Administrator, McGriff, Seibels, & Williams along with the prior year district financials.
- ◆ The Best Practices Survey should be completed and signed by the District for credit consideration.
- ◆ As a prerequisite to becoming a participant of the program, the State of Colorado also requires a Group Self Insurance Resolution be adopted by the special district governing body.

Volunteers:

Volunteers shall **not** be considered as workers for the purpose of Workers Compensation insurance unless Colorado SDP&LP is notified of the district's election to cover them **and**, the district's Board has passed a resolution of their intent to cover volunteers. Also, the district must keep a roster of the total number of volunteers for each coverage classification.

Special Features:

- ◆ Statutory State of Colorado Workers' Compensation Coverage
- ◆ \$2,000,000 Employers Liability
- ◆ Terrorism Risk Insurance Act (TRIA) included
- ◆ District Employees Covered
- ◆ Coverage for Board Members Optional
- ◆ Claim Deductible Options Available
- ◆ USL&H and Federal Acts Coverage Available
- ◆ Early-Return-to-Work Program Assistance
- ◆ Loss Prevention Assistance
- ◆ Designated Medical Provider Assistance
- ◆ Premium Cost Containment Program Certification Assistance

Colorado Workers' Compensation Basics

The Workers' Compensation System

Colorado has a "no-fault" workers' compensation system that involves a partnership in which employers agree to obtain coverage, promote safety, and see that employees are reimbursed for wages lost and expenses incurred because of job-related injuries or diseases, regardless of who is at fault. In return, workers give up the right to sue their employers for Injuries suffered on the job.

The Colorado Workers' Compensation System is Made Up of Many Parts:

- The Legislature makes and amends laws governing the system, and establishes benefit levels for injured workers.
- The Division of Insurance oversees agent licensing, insurer approvals, and self-insured programs.
- The Division of Workers' Compensation enforces rules relating to workers' compensation and oversees the administration of statutes on behalf of injured workers.

Basic Insurance

An insured employer is relieved of claim liability under Colorado's "no fault" workers' compensation law. Subject workers are entitled to compensation and medical benefits for any compensable injury or occupational disease resulting from employment.

Employers' Liability

Employers' liability insurance with limits of \$2,000,000 per accident and \$ 2,000,000 per occupational disease is included as part of the basic insurance. An aggregate limit of \$2,000,000 is provided for all

occupational disease damages. This coverage is designed to protect the employer from suits brought by his or her own employees for damages resulting from work-related injuries where the worker attempts to circumvent the "Exclusive Remedy" provisions of the basic policy. This coverage is subject to the conditions and exclusions set forth in the policy.

Other States Insurance

Your workers' compensation policy covers employees whose jobs require them to work temporarily in another state, providing that their claims are filed in Colorado. However, workers you hire in another state are not covered by the Pool coverage document.

Workers Covered by Basic Insurance

"Worker" means any person hired for pay including minors, and elected or appointed officials such as board members while in the course of doing district business. Special districts may also file a resolution to include volunteers. Common volunteer inclusions are fire, ambulance, and search and rescue teams.

Any district that contracts business to an uninsured contractor or sub-contractor must provide workers' compensation benefits in the event of an injury or death to an employee of the uninsured contractor or sub-contractor. A certificate of insurance should always be requested, received, and verified as part of your bid process.

Any district that contracts business to an independent contractor should request verification of disability and medical insurance for the independent contractor.

Contributions and Payroll

Your contribution will be calculated based on the job duties and pay of your employees.

The classification assigned to your district will be based on that which best describes the specific operations of your district. Many special districts will have multiple classifications including those commonly listed separately, such as clerical and sales operations.

The list below contains many of the inclusions and exclusions of payroll. For complete information, contact your agent or your pool administrator.

Included Payroll:

The list below contains many of the inclusions and exclusions of payroll. For complete information, contact your agent or your pool administrator.

1. Wages or salaries including retroactive wages or salaries
2. Commission pay
3. Bonuses including stock bonus plans
4. Extra pay for overtime worked. This should include straight pay only. (i.e.: Overtime pay such as 1½ time should only include the straight pay not the ½ time.)
5. Holiday pay, sick pay and vacation
6. Piece work pay or, incentive pay
7. Allowance to employees who bring and use their own tools
8. Rental value of house/apartment or other lodging that is in lieu of wages
9. Value of meals provided as part of wages
10. Shift differential pay
11. Payments to cafeteria plans (401K, 125 plan), flexible benefit spending plans, salary reduction plans and retirement plans
12. Payments to individual Retirement Accounts (IRAs)
13. Davis-Bacon/prevaling wage payments (except for amounts paid directly to any irrevocable federally approved third party pension trust fund.)

14. Payment or allowance for hand tools or power tools used by hand provided by employees either directly or through a third party and used in their
15. Annuity plan payments/contributions.

Excluded Payroll:

Exclude from subject payroll when calculating premium:

1. Tips and other gratuities
2. Employer's contributions to group life, health, dental, and pension plans
3. Values of special rewards for individual invention or discovery
4. Severance payments except for time worked or earned vacation
5. Payments for active military duty
6. Employee discount on goods purchased from employer
7. Reimbursement of expenses incurred by employee in carrying out employers business
8. Supper money for late work
9. Work uniform allowances
10. Payments made to employees while out on disability
11. Value of perks provided by employer such as use of auto, incentive vacation, club memberships, and tickets to entertainment events

The base rates used in the calculation of your premium are those approved by the National Council of Compensation Insurance. These rates are then adjusted by various credits and debits depending upon your district's operations. These adjustments may include such items as:

- Experience Modification
- Preferred Provider Discount
- Risk Management Credits
- Best Practices Adjustments
- Premium Volume Discounts, and
- Deductible Credits

You will be provided with the payment options available for your program at the time you receive your premium quotation. If your district qualifies, you

will be provided a retrospective premium option.

Premium Audit

A premium audit is a review of a district's basic operation and their payroll accounting records. Audits will be performed annually. Information for the adjustments may be obtained mail request or, through an on-site review of your records.

Mandatory Notices

Colorado law requires the posting of two notices for your employees. The first notice is the "Warning Poster" which reminds employees that they must notify their employer of an injury within four working days. The second is the "Notice to Employees" which outlines the employees' rights under the workers' compensation law. These posters will be provided to you upon binding of your policy.

Claims Handling

Early reporting is essential. Colorado law allows 10 days from the time a worker notifies you of an injury until you report it. Early reporting can significantly reduce your claim costs.

To report the claim, notify the third party administrator immediately. To do so, you will need to complete the claim form, WC1 and send it via fax or mail to:

CTSI, Inc
800 Grant Street, Suite 400
Denver, Co 80203
Fax- 303-861-1022

Or you can report the claim over the phone at (888)559-6829 or (303)861-0507.

Be sure to include the name of your district on the claim report.

Keep Good Records

Keep a record of all incidents handled by your first aid station. An injury report (WC1) need not be completed unless the employee intends to see a medical provider or, loses time from work. But do keep a complete incident log with accurate records for future reference should the employee later decide to seek treatment.

To assure prompt and accurate filing of injury reports, instruct employees to report all accidents to you immediately. This will enable you to keep on top of accidents, eliminate costly delays, and ensure that your workers receive full benefits.

Employee Responsibility

The following are guidelines to follow in the event you are injured on the job:

1. You must report your injury to your supervisor immediately. All injuries must be reported no later than the end of the shift in which they occur.
2. You must complete the incident report.
3. Seek first aid if available.
4. If you need outside medical assistance, you must obtain a Return to Work Recommendations form from your supervisor prior to seeking medical treatment. You must return this form to your supervisor immediately after your medical appointment.
5. You must treat with the designated provider selected by your employer.
6. You must complete a WC-1, work comp claim form. If your supervisor does not have a form available, they may obtain one by contacting CTSI, Inc at 1-888-559-6829 or 303-861-0507
7. If your employer offers you work within the physical restrictions

identified by your physician, then you must report for work on time and follow the instructions given. Failure to do so may affect your compensation benefits.

8. You are responsible for performing your duties in a professional manner. While on temporary light duty, you are under the same policies as all employees. Any performance issues will be addressed through the progressive disciplinary action process.
9. All work provided will be consistent with and will not exceed the physical limitations set by your physician. It is your responsibility to make sure you do not work beyond your physical limitations. If any activities produce and/or aggravate symptoms, you should report it to your supervisor immediately.
10. Light duty is temporary and will be reviewed after each doctor visit or every 30 days whichever is less.
11. You will be paid your regular hourly wages while performing temporary light duty. Our Third Party Administrator will prorate your workers' compensation benefits according to law if you are receiving less than regular wages.
12. Any absences must be reported to your supervisor. If the absence is due to a change in your medical condition caused by your work related injury, it must be authorized by the designated provider and you must notify your supervisor.
13. Any appointments with your physician, physical therapy, etc., should be scheduled outside your work hours or at a time that is least disruptive to the workplace. You are required to provide the Supervisor with an updated Return to Work Recommendations Form following each visit.
14. If you are unable to work, you must maintain weekly contact with your supervisor.

15. You are expected to cooperate with the claims examiner in processing your claim.

Feel free to contact your district management with any questions or concerns at phone number_____.

Employer District Responsibility

1. Upon hearing of an incident/injury, the supervisor will provide the incident report for completion by the employee. The supervisor will complete their part and then file it in the incident log.
2. The supervisor will see the employee seeks first aid immediately.
3. If outside medical treatment will be necessary, the supervisor will provide a workers' compensation claims form for completion and will supply the injured employee with a Letter of Introduction to the medical provider and a Return to Work Recommendations Form for the employee to take with them to the medical appointment.
4. The supervisor/district manager will then complete the employer portion of the workers' compensation claims form and forward it to the third party administrator for processing.
5. When employee returns from the medical provider, the supervisor will review the physical limitations, if any, with the worker and will formulate a light duty job with district management. This job will be faxed to the workers' attending physician for approval.
6. The job offer will then be communicated to the injured worker in writing.
7. The supervisor/district manager will forward a copy of the approved job offer to the third party administrator.

8. The supervisor will monitor the workers performance which includes working within the expected parameters of light duty activity, attendance, quality and quantity of work assigned.
9. The supervisor will notify the district manager of any problems that arise including the inability of the worker to return to work, difficulty in finding light duty work, absenteeism, or other performance problems.
10. The supervisor will keep track of follow-up doctor appointment dates and will provide a Return to Work Recommendations form to the employee prior to each doctor's visit. Upon receipt of the completed form (see 5 above) and proceed in this fashion until the claim is closed.
11. The district manager will keep a claim file where all information regarding the claim will be stored.

Feel free to contact your third party administrator or, pool administrator with any questions or concerns at phone number 1-888-559-6829 or, 303-861-0507.

Physician Selection

As the employer you have the right to designate which medical provider your employee may seek medical treatment from for their work related injury, if you do so at the time of injury. If you do not designate a medical provider, your employee may elect to treat with the provider of their choice.

Good communications with your designated provider assures that the physician will be able to return your employees to a safe, accommodating position within the restrictions of their work-related injury.

When selecting a Designated Medical Provider, be sure to choose one that:

- has knowledge of your operations and understands your goals surrounding return to work,
- will communicate with you,
- understands work related injuries and their treatment, and
- is familiar with the workers compensation system as it relates to treatment, maximum medical improvement determinations, and other regulations pertaining to the medical provider.

Your employee may request, in writing, a change of physician. Approval will be automatic if the claims administrator fails to respond within 20 days.

Benefits

Compensation benefits are paid based upon the claimant's wages at the time of injury and on the extent of the worker's disability. The amount of the benefits is also affected by receipt of other forms of income such as Social Security Disability. These tax-exempt benefits are paid directly to the injured worker.

Medical benefits are unlimited provided they are related to the work injury. Benefits are paid within the fee schedule directly to the medical provider. Any difference between the bill and the fee schedule can not be billed to the injured worker.

If the claim is denied, the medical bills are the responsibility of the injured worker.

All bills must be submitted and paid by the third party administrator regardless of the type of insurance program selected.

Return to Work

An effective return-to-work program is critical to containing claim costs due to payment of temporary disability benefits. The benefits can be reduced when an employee declines a suitable job offer that has been pre-approved by the

physician and offered to the employee. Contact your claims examiner or, return to work specialist for the proper procedures.

Denied Claims

If a claim is denied, the injured worker may request a hearing before the Workers' Compensation Division. The employer may also request a hearing before the Workers' Compensation Division if they feel the admission of liability is incorrect. If either the injured worker or the employer is not satisfied with the results of the hearing, further appeals are available.

Use of the Non-Litigation Dispute Resolution Services offered, at no cost, by the Division of Workers' Compensation is encouraged on all contested cases.

Litigation

An attorney will be provided in the event of litigation on a work related claim. The third party administrator will work with the special district in determining the best legal counsel for the contested claim. No settlement offers will be made without the approval of the district and the pool.

Loss Prevention

Colorado Special District Property and Liability Pool believes each special district wishes to provide a safe work environment for their employees. Our goal is to assist you with that process by offering Loss Prevention through the following services:

- Consulting Services
- Providing updated information on rules, regulations and requirements
- Provide review of special district policies
- Performing loss prevention inspections and reports
- Development of specialized training programs, regional and site specific, for

elected officials, trainers, administrative, management and non-management personnel targeting areas of high frequency and severity within member districts

- Consultation with district management regarding exposures and losses within their responsibility
- Development of uniform inspection check lists for use by loss prevention staff
- Development and maintenance of a reference library with training aids including videos for district members
- Cosponsoring professional seminars
- Mailing of flyers, pamphlets, etc. on loss prevention subjects
- Participation in meetings and conferences to disseminate necessary information

Fraud Investigation

Prevention and detection of fraud related activities by claimants, medical providers, and employers is an integral factor in reducing the cost of workers' compensation claims. Our claims administrator is dedicated to the elimination of fraud.

Insurance companies employers and their attorneys must work together in an effort to combat this fraud. If you are an employer and suspect an employee, their doctor, or other service provider has engaged in or, is engaging in a fraudulent act, contact your workers' compensation agent or, third party administrator immediately.

Although most claims are legitimate, all claims should be investigated for possible fraud. Inquiries should periodically be made to codetermine an injured employee's continued entitlement to workers compensation benefits.