

H.B. 1001 Creation of state self-insurance program - amendments to governmental immunity act - appropriations. Establishes a division of risk management in the department of administration to administer a state risk management program and to supervise the investigation, adjustment, and legal defense of claims. Creates the risk management fund to establish a self-insurance reserve to protect the state against liability claims and to fund the administrative costs of risk management. Creates a state claims board to oversee the management of the fund and the payment of claims.

Specifies what claims and expenses can and cannot be paid out of the fund. Authorizes specified parties to settle claims on behalf of the state within specified

monetary limits. Requires the state auditor to conduct an annual examination of the management and operation of the fund.

Excludes the university of Colorado and the health sciences center from coverage under the state self-insurance program.

Makes the provisions relating to self-insurance apply to claims arising on or after September 15, 1985, and mandates the repeal of such provisions on June 30, 1986.

Transfers to the risk management fund \$1,809,574, which represents moneys previously allocated for the 1985-86 fiscal year for insurance purposes and which are available and unexpended due to the cancellation of the state's liability insurance policy. Appropriates \$104,650 to the risk management division for its administrative costs and \$500,000 to the department of law for legal services.

Provides that public employees have immunity in the same situations as public entities under the "Colorado Governmental Immunity Act".

Provides that, where a claim is brought under the "Colorado Governmental Immunity Act" against a public employee for injuries from an act or omission that occurred or is alleged to have occurred within the scope of employment of such employee, the public entity shall be liable for reasonable defense costs of the employee unless: the public employee settles the claim without the consent of the public entity; or it is determined at trial that the employee was not within the scope of his employment or was willful and wanton. Requires the court, if such a determination is made, to order the employee to reimburse the public entity for such defense costs. Decreases the time allowed for the public entity to notify the public employee that it will assume his defense.

Repeals requirements concerning reimbursement of attorneys fees and settlement of claims in connection with the assumption of the defense of a public employee by a public entity.

Provides that a public employee is not liable for punitive or exemplary damages in any action brought against a public employee unless the act or omission was willful and wanton.

September 27 September 27
(Enacted - Extraordinary Session)