



COLORADO RECIPROCITY WITH CONTIGUOUS STATES

HB18-1308: Colorado's House Bill 18-1308 is a bill that was passed in 2018, which allows workers' compensation reciprocity with contiguous states, or states that touch our borders. Specific criteria must be met in order for there to be true reciprocity. At the time of this publication, there are no formal agreements in place that would allow for reciprocity.

HB18 1308 is specific to nonresident employers whose employees are **temporarily working in Colorado**.

The following is why the Zurich policy will not respond in the same way to workers from another state going into Wyoming to work:

- 1) HB18-1308 is specific to workers from contiguous states temporarily working in Colorado. (See below for the only contiguous states involved in this legislative change. Arizona, Kansas, Nebraska and New Mexico do not have reciprocity, so it doesn't apply to them. Oklahoma does have reciprocity; however, there are stipulations. Utah has reciprocity only with specific states, and Colorado is not one of them. There is no formal reciprocity agreement in place with Wyoming, though they have an approval process in place for Colorado employers temporarily working there. See "Colorado Employers Temporarily Working in Wyoming" below.)
- 2) Zurich does not list Colorado on their policy, Colorado is an excluded state. The Zurich policy is a separate and distinct contract, so the only place Colorado employees are covered is in the Pinnacle policy. If employees on the Zurich policy are being sent from any other state into Wyoming, the House bill does not change that, either.
- 3) The intent of the bill was to ensure that if the states bordering Colorado have statutes that allow reciprocity with each other for work being done temporarily in Colorado, then Colorado is no longer nonreciprocal. However, if you refer to No. 1 above, you can see the other states still have nonreciprocal rules that negate the new House bill.
- 4) So basically, HB18-1308 is a starting point to create reciprocity between Colorado and our bordering states. However, there are no formal agreements in place at this time.

Colorado Employers Temporarily Working in Wyoming

Wyoming has modified their requirements. If a Colorado employer is going to have employees work in Wyoming temporarily (for less than six months) in non-extra hazardous employment, as defined by the Wyoming Work Comp Act W.S. 27-14-108, the carrier (Pinnacle) can send a certificate of insurance with a cover letter to the Colorado Division of Workers' Compensation that provides an explanation regarding the employer working temporarily out of state in Wyoming. Once the DOWC receives the certificate and cover letter, the DOWC will send a letter directly to Wyoming regarding extraterritorial coverage. Wyoming will review to determine if they will approve the request to accept Colorado's extraterritorial coverage. We do not have a canned template; you will need to compose a cover letter.

Please complete the cover letter to include the following:

- Policy number
- Named Insured
- Type of work being conducted in Wyoming
- Date work with start in Wyoming
- Projected end date
- Number of employees conducting work in Wyoming

Send the cover and a certificate of workers' compensation insurance to the DOWC, which will provide verification to Wyoming.

Colorado Division of Workers' Compensation Claims
633 17th Street, Suite 400
Denver, CO 80202-3660
Email: cdle_dowc_filings@state.co.us
Phone: 303.318.8604
Fax: 303.318.8619

Other Contiguous States to Colorado:

Arizona, Kansas, Nebraska, New Mexico, Oklahoma and Utah

Arizona

Industrial Commission of Arizona
800 W Washington Street
Phoenix, AZ 85007

Contact: Ruby Tate, Claims Division Manager, 602.542.4661, claims@azica.gov

Extraterritorial provisions: Yes

Duration: 90 days

Reciprocity: Yes (mutual reciprocity required)

Full statute: [Title 23, Chapter 6](#)

Specific section(s) governing reciprocity and extraterritorial provisions: [SB 1148](#) (Sec. 2., Title 23, chapter 6, article 1. A.R.S. 23-904)

State workers' compensation website: azica.gov/resources/employers

Under Arizona law, it is mandatory for employers to secure workers' compensation insurance for their employees. If an employer regularly hires workers in its customary business then the employer is required to carry workers' compensation insurance regardless of the number of workers they have, whether those workers are part-time, full-time, minors, aliens, or family members. Employers without all states coverage (or coverage that is valid in Arizona) will be considered a non-complying employer if a worker chooses to file an Arizona claim. Subject to limited exceptions, an uninsured employer may be assessed a civil penalty of \$1,000 for failure to obtain workers' compensation insurance, whether or not an employee files a workers' compensation claim. The penalty is increased to \$5,000 for a second instance of being uninsured within a five-year period and \$10,000 for a third instance in a five-year period. An employer that does not carry workers' compensation insurance is guilty of a Class 6 felony. While there is no state requirement to have a license to do business in Arizona, some local municipalities and jurisdictions may require licensure.

Kansas

Kansas Department of Labor
Workers' Compensation Division
401 SW Topeka Blvd, Suite 2
Topeka, KS 66603-3105

Contact: 785.296.4000, kdol.wc@ks.gov

Extraterritorial provisions: Yes (principal place of employment or contract of hire must be in the state)

Duration: Not specified

Reciprocity: No

Full statute: [2012 Statute: Chapter 44, Article 5](#)

Specific section(s) governing reciprocity and extraterritorial provisions: [44-506](#) and [44-508](#)

State workers' compensation website: dol.ks.gov/wc

The present law requires that all Kansas employers except for those in certain agricultural pursuits or those with a gross annual payroll of \$20,000 or less have a valid policy. All payroll is taken into account, including that paid in Kansas or elsewhere.

Nebraska

Nebraska Workers' Compensation Court
1010 Lincoln Mall, Suite 100
Lincoln, NE 68508

Contact: 402.471.6468, 800.599.5155, [send email through form](#)

Extraterritorial provisions: Yes (principal place of employment or contract of hire must be in the state)

Duration: Not specified

Reciprocity: No

Full statute: [Nebraska Revised Statute Chapter 48](#)

Specific section(s) governing reciprocity and extraterritorial provisions: [48-115](#)

State workers' compensation website: wcc.ne.gov

All employers operating in Nebraska are required to carry workers' compensation insurance for their employees and themselves if they are an employee of their company.

New Mexico

New Mexico Workers' Compensation Administration
2410 Centre Ave SE
Albuquerque, NM 87106

Contact: Trey Flynt, Employer Compliance Manager, Trey.Flynt@state.nm.us, 505.841.6000, 866.967.5667

Extraterritorial provisions: Yes (subject to five conditions; see below)

Duration: Not specified

Reciprocity: Yes (very limited; see below)

Full statute: New Mexico Workers' Compensation Act (Chapter 52)

Specific section(s) governing reciprocity and extraterritorial provisions: 52-1-64, 52-1-66 and 52-1-68

State workers' compensation website: workerscomp.nm.gov

In New Mexico, all businesses that employ three or more workers are required to carry workers' compensation insurance. If in the construction industry, all businesses that employ one or more workers are required to carry workers' compensation insurance.

Every employer required to be covered by the Workers' Compensation Act, or who elects to do so, and every employee covered by the Act, must pay a quarterly fee called the workers' compensation assessment fee. The fee is similar to a tax and is \$4.30 per employee per calendar quarter. Employers contribute \$2.30, multiplied by the number of covered employees working on the last working day of the quarter. The fee for covered employees working on the last working day of the quarter is \$2 per employee, which should be taken as a payroll deduction. This quarterly fee is not the same as a workers' compensation insurance premium and does not provide insurance coverage.

Extraterritoriality - Five conditions:

- 1) The employee's employment is principally localized in this state;
- 2) The employee is working under a contract of hire made in this state in employment not principally localized in any state;
- 3) The employee is working under a contract of hire made in this state in employment principally localized in another state whose workers' compensation law is not applicable to the employee's employer;
- 4) The employee is working under a contract of hire made in this state for employment outside the United States and Canada; or
- 5) The employee is an unpaid health professional deployed outside this state by the department of health in response to a request for emergency health personnel made pursuant to the Emergency Management Assistance Compact

Reciprocity: No reciprocity for construction classes. If not in construction, reciprocity is granted if less than 3 employees are in the state.

Oklahoma

Oklahoma Workers' Compensation Commission
1915 North Stiles Avenue
Oklahoma City, OK 73105

Contact: 405.522.3222, 855.291.3612, contact@wcc.ok.gov

Extraterritorial provisions: Yes

Duration: Not specified

Reciprocity: Yes (mutual reciprocity required)

Full statute: Administrative Workers' Compensation Act - Title 85A

Specific section(s) governing reciprocity and extraterritorial provisions: 85A-1.3

State workers' compensation website: ok.gov/wcc

Every employer, with a few exceptions, is required by law to carry workers' compensation insurance, or "secure compensation" for its employees, as defined by law. An employer who is required by law to secure compensation and does not do so, may be subject to penalties up to one thousand dollars (\$1,000.00) per day.

Utah

Utah Labor Commission
Industrial Accidents Commission
160 East 300 South, 3rd Floor
Salt Lake City, UT 84114-6600

Contact: Ron Dressler, 801.530.6800, iaccd@utah.gov

Extraterritorial provisions: Yes

Duration: 6 months (may be extended with permission)

Reciprocity: Yes (mutual reciprocity required)

Full statute: Utah Labor Code Title 34A, Chapter 2

Specific section(s) governing reciprocity and extraterritorial provisions: 34A-2-405 and 34A-2-406

State workers' compensation website: insurance.utah.gov/consumer/other/workers-comp

With few exceptions, Utah employers are required to maintain workers' compensation insurance coverage.