



**Colorado
Legislative
Council
Staff**

SB17-274

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1053
Prime Sponsor(s): Sen. Holbert
 Rep. Garnett

Date: April 13, 2017
Bill Status: Senate Business
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: NONADMITTED INSURERS DISABILITY SURPLUS LINES INSURANCE

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload increase.		

Summary of Legislation

The bill allows nonadmitted insurers to offer disability insurance as a type of surplus lines insurance. The bill defines "disability insurance" in the context of surplus lines insurance as insurance that:

- is in excess of policy limits available under a policy issued by an admitted insurer;
- provides income replacement to an insured who becomes a individual with a disability while covered by the policy; and
- does not provide coverage for the diagnosis or treatment of an insured person's disability.

State Expenditures

The bill increases workload by a minimal amount in the Division of Insurance (DOI) in the Department of Regulatory Agencies starting in FY 2017-18. Specifically, the DOI will be required to update rules concerning disability insurance in the surplus lines market and to oversee this segment of the market. This work can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed. It applies to disability insurance offered on or after this effective date.

State and Local Government Contacts

Information Technology

Law

Regulatory Agencies