

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 19-1040.01 Richard Sweetman x4333

HOUSE BILL 19-1283

HOUSE SPONSORSHIP

Roberts,

SENATE SPONSORSHIP

Rodriguez,

House Committees

Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIRING INSURERS TO DISCLOSE CERTAIN**
102 **INFORMATION CONCERNING INSURANCE POLICIES, AND, IN**
103 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires an insurer that provides or may provide liability insurance coverage to pay all or a portion of a pending or prospective claim to provide to a claimant via mail, facsimile, or electronic delivery, within 30 days after receiving a written request from the claimant, a statement, made under oath, of a corporate officer setting forth the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

following information with regard to each known policy of insurance, including excess or umbrella insurance:

- ! The name of the insurer;
- ! The name of each insured party;
- ! The limits of the liability coverage;
- ! A statement of any policy or coverage defense that the insurer reasonably believes is available to the insurer at the time of making the statement; and
- ! A copy of the policy.

An insured party, or the insured party's insurance agent, upon written request of a claimant or a claimant's attorney, shall disclose to the claimant or claimant's attorney the name and coverage of each known insurer of the insured party and shall forward the request to all affected insurers. An insurer that receives such a request shall supply the requested information to the claimant or the claimant's attorney within 30 days of the receipt of the request.

An insurer or an insured party that violates the disclosure requirement is liable to the requesting claimant for damages in an amount of \$100 per day, beginning on and including the thirty-first day following the claimant's written request. The penalty accrues until the insurer or an insured party provides the information required. An insurer or insured party who fails to make a required disclosure is also responsible for attorney fees and costs incurred by a claimant in enforcing the penalty.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 10-3-1101 as
3 follows:

4 **10-3-1101. Legislative declaration.** (1) The purpose of this part
5 11 is to regulate trade practices in the business of insurance by defining,
6 or providing for the determination of, all such practices in this state ~~which~~
7 THAT constitute unfair methods of competition or unfair or deceptive acts
8 or practices, and by prohibiting the trade practices so defined or
9 determined. No rules or regulations ~~shall~~ MAY be promulgated to
10 adversely affect free and open competition in the sale of insurance.

11 (2) IT IS IN THE BEST INTERESTS OF THE CITIZENS OF THIS STATE TO
12 HAVE TRANSPARENCY IN THE INSURANCE CLAIMS PROCESS TO FURTHER

1 THE PUBLIC POLICY OF ENCOURAGING SETTLEMENT AND PREVENTING
2 UNNECESSARY LITIGATION. CLAIMANTS AND INJURED PARTIES SHOULD
3 FULLY UNDERSTAND THE TOTAL AMOUNT OF INSURANCE COVERAGE
4 AVAILABLE TO THEM. IN ADDITION, BECAUSE PAYMENT OF UNINSURED
5 AND UNDER-INSURED MOTORIST BENEFITS COVERS THE DIFFERENCE
6 BETWEEN THE AMOUNT OF THE LIMITS OF ANY LEGAL LIABILITY COVERAGE
7 AND THE AMOUNT OF THE DAMAGES SUSTAINED, IT IS IMPORTANT THAT
8 THE CITIZENS OF THIS STATE HAVE ACCURATE AND RELIABLE
9 INFORMATION ABOUT THE AMOUNT OF LEGAL LIABILITY COVERAGE
10 AVAILABLE FOR A CLAIM. PROVIDING INFORMATION TO COLORADO
11 RESIDENTS CONCERNING THE AMOUNT OF LIABILITY COVERAGE WILL:

12 (a) HELP COLORADO RESIDENTS EVALUATE WHETHER THEIR
13 UNINSURED OR UNDER-INSURED MOTORIST COVERAGE WILL BE
14 TRIGGERED; AND

15 (b) ALLOW AN INSURER WHO PROVIDES UNINSURED OR
16 UNDER-INSURED MOTORIST COVERAGE OR POLICIES MORE TIME TO
17 EVALUATE AND PLACE RESERVES ON CLAIMS.

18 **SECTION 2.** In Colorado Revised Statutes, **add** 10-3-1117 as
19 follows:

20 **10-3-1117. Required disclosures - liability - definition.** (1) NOT
21 MORE THAN THIRTY CALENDAR DAYS AFTER RECEIVING A WRITTEN
22 REQUEST FROM AN INSURED PARTY, AN INSURER THAT ISSUES A
23 COMMERCIAL AUTOMOBILE OR PERSONAL AUTOMOBILE POLICY OF
24 INSURANCE FOR DELIVERY IN THIS STATE SHALL PROVIDE TO THE INSURED
25 PARTY A COPY OF THE COMPLETE POLICY OF INSURANCE, INCLUDING ANY
26 ENDORSEMENTS.

27 (2) (a) EACH INSURER THAT PROVIDES OR MAY PROVIDE

1 COMMERCIAL AUTOMOBILE OR PERSONAL AUTOMOBILE LIABILITY
2 INSURANCE COVERAGE TO PAY ALL OR A PORTION OF A PENDING OR
3 PROSPECTIVE CLAIM SHALL PROVIDE TO THE CLAIMANT OR THE
4 CLAIMANT'S ATTORNEY VIA MAIL, FACSIMILE, OR ELECTRONIC DELIVERY,
5 WITHIN THIRTY CALENDAR DAYS AFTER RECEIVING A WRITTEN REQUEST
6 FROM THE CLAIMANT OR THE CLAIMANT'S ATTORNEY, WHICH REQUEST IS
7 SENT TO THE INSURER'S REGISTERED AGENT, A STATEMENT SETTING FORTH
8 THE FOLLOWING INFORMATION WITH REGARD TO EACH KNOWN POLICY OF
9 INSURANCE OF THE NAMED INSURED, INCLUDING EXCESS OR UMBRELLA
10 INSURANCE, THAT IS OR MAY BE RELEVANT TO THE CLAIM:

11 (I) THE NAME OF THE INSURER;

12 (II) THE NAME OF EACH INSURED PARTY, AS THE NAME APPEARS ON
13 THE DECLARATIONS PAGE OF THE POLICY;

14 (III) THE LIMITS OF THE LIABILITY COVERAGE; AND

15

16 (IV) A COPY OF THE POLICY.

17 (b) AN INSURED PARTY, [REDACTED] UPON WRITTEN REQUEST OF A
18 CLAIMANT OR A CLAIMANT'S ATTORNEY, SHALL DISCLOSE TO THE
19 CLAIMANT OR CLAIMANT'S ATTORNEY THE NAME AND COVERAGE OF EACH
20 KNOWN INSURER OF THE INSURED PARTY.

21 (3) AN INSURER [REDACTED] THAT VIOLATES THIS SECTION IS LIABLE TO THE
22 REQUESTING CLAIMANT FOR DAMAGES IN AN AMOUNT OF ONE HUNDRED
23 DOLLARS PER DAY, BEGINNING ON AND INCLUDING THE THIRTY-FIRST DAY
24 FOLLOWING THE RECEIPT OF THE CLAIMANT'S WRITTEN REQUEST. THE
25 PENALTY ACCRUES UNTIL THE INSURER [REDACTED] PROVIDES THE INFORMATION
26 REQUIRED BY THIS SECTION. AN INSURER [REDACTED] THAT FAILS TO MAKE A
27 DISCLOSURE REQUIRED BY THIS SECTION IS ALSO RESPONSIBLE FOR

1 ATTORNEY FEES AND COSTS INCURRED BY A CLAIMANT IN ENFORCING THE
2 PENALTY.

3 (4) THE CLAIMANT AND ANY ATTORNEY OF THE CLAIMANT SHALL
4 NOT DISCLOSE TO ANY PARTY THE INFORMATION DESCRIBED IN
5 SUBSECTION (2)(a) OF THIS SECTION; EXCEPT THAT THE CLAIMANT AND AN
6 ATTORNEY OF THE CLAIMANT MAY DISCUSS THE INFORMATION WITH THE
7 CLAIMANT'S INSURER.

8 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES, "CLAIMANT" MEANS A PERSON THAT HAS PROVIDED NOTICE TO
10 AN INSURER OF A POTENTIAL CLAIM.

11 **SECTION 3. Appropriation.** For the 2019-20 state fiscal year,
12 \$12,599 is appropriated to the department of regulatory agencies for use
13 by the division of insurance. This appropriation is from the division of
14 insurance cash fund created in section 10-1-103 (3), C.R.S. To implement
15 this act, the division may use this appropriation as follows:

16 (a) \$12,409 for personal services, which amount is based on an
17 assumption that the division will require an additional 0.2 FTE; and

18 (b) \$190 for operating expenses.

19 **SECTION 4. Act subject to petition - effective date.** This act
20 takes effect January 1, 2020; except that, if a referendum petition is filed
21 pursuant to section 1 (3) of article V of the state constitution against this
22 act or an item, section, or part of this act within the ninety-day period
23 after final adjournment of the general assembly, then the act, item,
24 section, or part will not take effect unless approved by the people at the
25 general election to be held in November 2020 and, in such case, will take
26 effect on the date of the official declaration of the vote thereon by the
27 governor.