



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 19-0982 Date: March 25, 2019
Prime Sponsors: Rep. Landgraf, Buckner Bill Status: House Health and Insurance
Fiscal Analyst: Max Nardo | 303-866-4776 max.nardo@state.co.us

Bill Topic: LIVING ORGAN DONOR INSURANCE

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill prohibits state-regulated carriers of life insurance, disability income insurance, and long-term care insurance from discriminating against living organ donors in insurance policies.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$25,000 to the Department of Human Services.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1 State Fiscal Impacts Under HB 19-1253

Table with 3 columns: Category, FY 2019-20, FY 2020-21. Rows include Revenue, Expenditures (General Fund), Transfers, and TABOR Refund.

## Summary of Legislation

The bill prohibits state regulated carriers of life insurance, disability income insurance, and long-term care insurance from taking certain actions based on a person's status as a living organ donor. For these insurance types, an insurance carrier may not:

- decline or limit coverage due to a person's status as a living organ donor;
- consider a person's status as a living organ donor in determining premiums;
- preclude a person from donating all or part of an organ as a condition of receiving a policy; or
- otherwise discriminate against a person in a policy based solely on living organ donor status and without any additional actuarial risks.

The Commissioner of Insurance in the Department of Regulatory Agencies (DORA) is authorized by the bill to use their enforcement powers to ensure compliance with these restrictions. The Department of Human Services (CDHS) must develop educational materials concerning the benefits of live organ donation and the effect of live organ donation on access to insurance by January 1, 2020.

## State Expenditures

The bill will increase state expenditures by at least \$25,000 in FY 2019-20 for the CDHS and will increase workload for DORA in FY 2019-20 and future years.

**Department of Human Services.** The CDHS will develop educational materials concerning the benefits of live organ donation and its effect on access to insurance. Based on the cost of similar public education campaigns, the fiscal note assumes that written and online educational materials can be developed for \$25,000. If it is the intent of the General Assembly that materials be developed for other media, or that CDHS take an active role in educating the public beyond providing materials, additional resources will be required.

**Department of Regulatory Agencies.** The Division of Insurance in DORA regulates insurance carriers to ensure compliance with statute and administrative rules. The fiscal note assumes that there will be a high level of compliance with the law, and that enforcement can be incorporated into the existing regulatory program with a minimal increase in workload and no increase in appropriations.

## Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed. It applies to insurance policies and contracts entered into or renewed on or after the effective date.

## State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$25,000 to the Department of Human Services.

**State and Local Government Contacts**

Human Services  
Personnel

Revenue  
Information Technology

Regulatory Agencies