

CHAPTER 250

INSURANCE

HOUSE BILL 19-1283

BY REPRESENTATIVE(S) Roberts, Bird, Buentello, Duran, Galindo, Gray, Hooton, Kraft-Tharp, McLachlan, Valdez A.;
also SENATOR(S) Rodriguez, Lee.

AN ACT

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

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

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

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

(2) IT IS IN THE BEST INTERESTS OF THE CITIZENS OF THIS STATE TO HAVE TRANSPARENCY IN THE INSURANCE CLAIMS PROCESS TO FURTHER THE PUBLIC POLICY OF ENCOURAGING SETTLEMENT AND PREVENTING UNNECESSARY LITIGATION. CLAIMANTS AND INJURED PARTIES SHOULD FULLY UNDERSTAND THE TOTAL AMOUNT OF INSURANCE COVERAGE AVAILABLE TO THEM. IN ADDITION, BECAUSE PAYMENT OF UNINSURED AND UNDER-INSURED MOTORIST BENEFITS COVERS THE DIFFERENCE BETWEEN THE AMOUNT OF THE LIMITS OF ANY LEGAL LIABILITY COVERAGE AND THE AMOUNT OF THE DAMAGES SUSTAINED, IT IS IMPORTANT THAT THE CITIZENS OF THIS STATE HAVE ACCURATE AND RELIABLE INFORMATION ABOUT THE AMOUNT OF LEGAL LIABILITY COVERAGE AVAILABLE FOR A CLAIM. PROVIDING INFORMATION TO COLORADO RESIDENTS CONCERNING THE AMOUNT OF LIABILITY COVERAGE WILL:

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

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

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

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

(I) THE NAME OF THE INSURER;

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

(III) THE LIMITS OF THE LIABILITY COVERAGE; AND

(IV) A COPY OF THE POLICY.

(b) AN INSURED PARTY, 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.

(3) AN INSURER THAT VIOLATES THIS SECTION IS LIABLE TO THE REQUESTING CLAIMANT FOR DAMAGES IN AN AMOUNT OF ONE HUNDRED DOLLARS PER DAY, BEGINNING ON AND INCLUDING THE THIRTY-FIRST DAY FOLLOWING THE RECEIPT OF THE CLAIMANT'S WRITTEN REQUEST. THE PENALTY ACCRUES UNTIL THE INSURER PROVIDES THE INFORMATION REQUIRED BY THIS SECTION. AN INSURER THAT FAILS TO MAKE A DISCLOSURE REQUIRED BY THIS SECTION IS ALSO RESPONSIBLE FOR ATTORNEY FEES AND COSTS INCURRED BY A CLAIMANT IN ENFORCING THE PENALTY.

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

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

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

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

(b) \$190 for operating expenses.

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

Approved: May 22, 2019