

CHAPTER 76

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**INSURANCE**

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**HOUSE BILL 95-1201**

BY REPRESENTATIVES Martin, Agler, Gordon, Owen, and Tool;  
also SENATORS Alexander, Blickensderfer, Johnson, Mutzebaugh, Pascoe, Perlmutter, Rupert, Schroeder, and Tanner.

**AN ACT**

**CONCERNING THE EXEMPTION OF CHARITABLE GIFT ANNUITIES FROM GOVERNMENTAL REGULATION.**

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

**SECTION 1.** 10-1-102, Colorado Revised Statutes, 1994 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**10-1-102. Definitions.** As used in this title, unless the context otherwise requires:

(2.5) "CHARITABLE GIFT ANNUITY" MEANS AN ANNUITY WHICH:

(a) MEETS THE DEFINITION AND STANDARDS CONTAINED IN SECTION 501 (m) (5) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED;

(b) CONTAINS ON ITS FACE THE FOLLOWING STATEMENT:

"THIS ANNUITY IS NOT ISSUED BY AN INSURANCE COMPANY NOR REGULATED BY THE COLORADO DIVISION OF INSURANCE AND IS NOT PROTECTED BY ANY STATE GUARANTY FUND OR PROTECTIVE ASSOCIATION.";

(c) IS ISSUED OR GUARANTEED BY AN ORGANIZATION THAT AT ALL TIMES DURING THE THREE YEARS PRECEDING THE DATE OF THE ISSUANCE OF SUCH ANNUITY:

(I) WAS QUALIFIED TO RECEIVE CONTRIBUTIONS DESCRIBED IN SECTION 170 (c) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED; AND

(II) IF REQUIRED AS A CONDITION OF SUCH QUALIFICATION BY PROVISIONS OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED, WAS IN RECEIPT OF

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

NOTIFICATION FROM THE FEDERAL INTERNAL REVENUE SERVICE THAT SUCH ORGANIZATION WAS SO QUALIFIED.

**SECTION 2.** 10-3-903 (2), Colorado Revised Statutes, 1994 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**10-3-903. Definition of transacting insurance business.** (2) The provisions of this section do not apply to:

(i) ANY TRANSACTION IN THIS STATE INVOLVING THE ISSUANCE OF A CHARITABLE GIFT ANNUITY, AS DEFINED IN SECTION 10-1-102 (2.5).

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 17, 1995