

CHAPTER 175

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**INSURANCE**

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**SENATE BILL 99-210**

BY SENATORS Perlmutter and Hernandez;  
also REPRESENTATIVE Witwer.

**AN ACT**

CONCERNING ACCEPTABLE PROOF OF ABILITY TO PAY A JUDGMENT FOR SELF-INSURERS.

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

**SECTION 1.** 10-4-716 (2), Colorado Revised Statutes, is amended, and the said 10-4-716 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**10-4-716. Self-insurers.** (2) The commissioner may, in his or her discretion, upon the application of such person, issue a certificate of self-insurance when the ~~director~~ COMMISSIONER is satisfied that such person is ~~possessed~~ ABLE and will continue to be ~~possessed of ability~~ ABLE to pay direct benefits as required under section 10-4-706 (1) (b) to (1) (e) and to pay any and all judgments that may be obtained against such person. Upon not less than five days' notice and a hearing pursuant to such notice, the commissioner may, upon reasonable grounds, cancel a certificate of self-insurance. Failure to pay any benefits under section 10-4-706 (1) (b) to (1) (e) or failure to pay any judgment within thirty days after such judgment shall have become final shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.

(3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE COMMISSIONER SHALL ACCEPT, AS PROOF THAT A MOTOR VEHICLE CARRIER OR CONTRACT CARRIER BY MOTOR VEHICLE, AS DEFINED IN ARTICLES 10 AND 11 OF TITLE 40, C.R.S., IS ABLE AND WILL CONTINUE TO BE ABLE TO PAY ALL JUDGMENTS THAT MIGHT BE OBTAINED AGAINST THE CARRIER, A SURETY BOND IN A FORM ACCEPTABLE TO THE COMMISSIONER IN AN AMOUNT DETERMINED BY THE COMMISSIONER SUFFICIENT TO ENSURE THAT THE CARRIER HAS THE ABILITY TO PAY ALL JUDGMENTS THAT MAY BE OBTAINED AGAINST ANY SUCH CARRIER.

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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.*

**SECTION 2. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: May 17, 1999