

CHAPTER 129

INSURANCE

SENATE BILL 00-035

BY SENATOR Owen;
also REPRESENTATIVE T. Williams.

AN ACT

CONCERNING A REQUIREMENT THAT INSURANCE COMPANIES COMPLY WITH INVESTMENT PLANS APPROVED BY THEIR BOARDS OF DIRECTORS.

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

SECTION 1. 10-3-234, Colorado Revised Statutes, is amended to read:

10-3-234. Approval and record of investments. (1) No investment, loan, or sale thereof shall, except as to loans on a life insurance company's policies or annuity and supplementary contracts, be made by any domestic insurance company:

(a) Without the advance approval of its board of directors or of a committee appointed by such board and charged with the duty of making such investments, loans, or sales or of an officer charged with such duty; OR

(b) UNLESS THE TRANSACTION IS:

(I) TRANSACTED IN COMPLIANCE WITH A WRITTEN POLICY OR PLAN APPROVED BY ITS BOARD OF DIRECTORS PRIOR TO THE TRANSACTION; AND

(II) RATIFIED BY SUCH BOARD OR BY A COMMITTEE APPOINTED BY SUCH BOARD CHARGED WITH THE DUTY OF REVIEWING SUCH INVESTMENTS, LOANS, AND SALES AT A MEETING HELD NOT LESS THAN QUARTERLY.

(2) A permanent written record of the making of all such investments, loans, and sales shall be maintained by the company.

SECTION 2. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final

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

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.

(2) The provisions of this act shall apply to investments, loans, or sales thereof made three months after said date.

Approved: April 18, 2000