

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 26-0424.01 Shelby Ross x4510

HOUSE BILL 26-1017

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A BILL FOR AN ACT

101 **CONCERNING PROHIBITING AN INSURER FROM RECEIVING**
102 **RESTITUTION THROUGH THE CRIMINAL RESTITUTION PROCESS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

For the purpose of criminal restitution, current law defines a "victim" as any person who has suffered losses because of a contractual relationship, including an insurer. The bill excludes an insurer from the definition of "victim" and instead authorizes an insurer to file a civil action against the offender to recover losses if the insurer has suffered because of a contractual relationship with the victim.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
2nd Reading Unamended
March 16, 2026

HOUSE
3rd Reading Unamended
February 25, 2026

HOUSE
Amended 2nd Reading
February 24, 2026

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

2 **SECTION 1.** In Colorado Revised Statutes, 18-1.3-601, **add**
3 (1)(h) as follows:

4 **18-1.3-601. Legislative declaration.**

5 (1) The general assembly finds and declares that:

6 (h) AN INSURANCE COMPANY, AS PART OF ITS BUSINESS
7 OPERATIONS, COMPENSATES A DIRECT VICTIM OF A CRIME DUE TO THE
8 CONTRACTUAL RELATIONSHIP BETWEEN THE INSURANCE COMPANY AND
9 VICTIM WHEREBY THE VICTIM PAYS THE INSURANCE COMPANY A PREMIUM
10 AND THE INSURANCE COMPANY COMPENSATES THE VICTIM FOR LOSSES
11 SUSTAINED. IN THESE INSTANCES, CRIMINAL RESTITUTION TO MAKE DIRECT
12 VICTIMS WHOLE MUST BE PRIORITIZED, WHILE INSURANCE COMPANIES
13 SHOULD RECOVER THEIR LOSSES THROUGH REMEDIES OTHER THAN
14 CRIMINAL RESTITUTION ORDERS. HOWEVER, AN INSURANCE COMPANY
15 THAT IS A DIRECT VICTIM OF A CRIME MUST BE MADE WHOLE THROUGH THE
16 CRIMINAL RESTITUTION PROCESS, INCLUDING IF THE INSURANCE COMPANY
17 IS A VICTIM OF A SCHEME TO DEFRAUD THE INSURANCE COMPANY OR WHEN
18 THE INSURANCE COMPANY'S PROPERTY IS DAMAGED OR STOLEN BY
19 CRIMINAL ACTS.

20 **SECTION 2.** In Colorado Revised Statutes, 18-1.3-602, **amend**
21 (3)(a), (3)(d), (4)(a)(I), (4)(a)(III), and (4)(a)(VI) as follows:

22 **18-1.3-602. Definitions.**

23 As used in this part 6, unless the context otherwise requires:

24 (3) (a) "Restitution" means any pecuniary loss suffered by a victim
25 and includes, but is not limited to, all out-of-pocket expenses, interest,
26 loss of use of money, anticipated future expenses, rewards paid by

1 victims, money advanced by law enforcement agencies, money advanced
2 by a governmental agency for a service animal, adjustment expenses, and
3 other losses or injuries proximately caused by an offender's conduct and
4 that can be reasonably calculated and recompensed in money.
5 "Restitution" does not include LOSSES FOR WHICH A VICTIM MAY BE
6 COMPENSATED THROUGH A PRIVATE INSURANCE POLICY, damages for
7 physical or mental pain and suffering, loss of consortium, loss of
8 enjoyment of life, loss of future earnings, or punitive damages.

9 (d) "Restitution" ~~shall also include~~ ALSO INCLUDES costs incurred
10 by a governmental agency or A WORKER'S COMPENSATION insurer that
11 provides medical benefits, health benefits, or nonmedical support services
12 directly related to a medical or health condition to a victim for losses or
13 injuries proximately caused by an offender's conduct, including, but not
14 limited to, costs incurred by medicaid, MEDICARE, and other care
15 programs for indigent persons.

16 (4) (a) "Victim" means any person aggrieved by the conduct of an
17 offender and includes, but is not limited to, the following:

18 (I) Any person against whom any felony, misdemeanor, petty
19 OFFENSE, or traffic misdemeanor offense has been perpetrated or
20 attempted, INCLUDING AN INSURANCE COMPANY WHEN THE INSURANCE
21 COMPANY IS A VICTIM OF A SCHEME TO DEFRAUD THE INSURANCE
22 COMPANY OR WHEN THE INSURANCE COMPANY'S PROPERTY IS DAMAGED
23 OR STOLEN THROUGH A CRIMINAL ACT;

24 (III) Any person who has suffered losses ~~because of a contractual~~
25 ~~relationship with, including but not limited to, an insurer, or because of~~
26 liability ~~under~~ PURSUANT TO section 14-6-110 C.R.S., for a person
27 described in ~~subparagraph (I) or (II) of this paragraph (a)~~ SUBSECTION

1 ~~(4)(a)(I) OR (4)(a)(II) OF THIS SECTION;~~

2 ~~(VI) Any person who had to expend resources for the purposes~~
3 ~~described in paragraphs (b), (c), and (d) of subsection (3) of this section~~
4 ~~SUBSECTIONS (3)(b), (3)(c), OR (3)(d) OF THIS SECTION, EXCEPT NOT AN~~
5 ~~INSURANCE COMPANY THAT COMPENSATED A VICTIM FOR A LOSS, EXCEPT~~
6 ~~AS PROVIDED IN SUBSECTION (3)(d) OF THIS SECTION.~~

7 **SECTION 3.** In Colorado Revised Statutes, 18-1.3-603, **amend**
8 **(8); and add (12) and (13) as follows:**

9 **18-1.3-603. Assessment of restitution - corrective orders.**

10 ~~(8) (a) Notwithstanding the provisions of subsection (1) of this~~
11 ~~section, for a non-felony conviction under title 42, C.R.S., The court shall~~
12 ~~order restitution concerning only the portion of the victim's pecuniary loss~~
13 ~~for which the victim cannot be compensated under a policy of insurance,~~
14 ~~self-insurance, an indemnity agreement, or a risk management fund. A~~
15 ~~COURT MAY AWARD A VICTIM RESTITUTION FOR A DEDUCTIBLE AMOUNT~~
16 ~~UNDER THE VICTIM'S POLICY OF INSURANCE.~~

17 ~~(b) The court, in determining the restitution amount, shall consider~~
18 ~~whether the defendant or the vehicle driven by the defendant at the time~~
19 ~~of the offense was covered by:~~

20 ~~(I) A complying policy of insurance or certificate of self-insurance~~
21 ~~as required by the laws of this state;~~

22 ~~(II) Self-insurance including but not limited to insurance coverage~~
23 ~~pursuant to the provisions of part 15 of article 30 of title 24, C.R.S.; or~~

24 ~~(III) Any other insurance or indemnity agreement that would~~
25 ~~indemnify the defendant for any damages sustained by the victim.~~

26 ~~(c) (I) Except as otherwise provided in this paragraph (c), a court~~
27 ~~may not award restitution to a victim concerning a pecuniary loss for~~

1 ~~which the victim has received or is entitled to receive benefits or~~
2 ~~reimbursement under a policy of insurance or other indemnity agreement.~~

3 ~~(H) (A) A court may award a victim restitution for a deductible~~
4 ~~amount under his or her policy of insurance.~~

5 ~~(B) (Deleted by amendment, L. 2004, p. 904, § 28, effective May~~
6 ~~21, 2004.)~~

7 ~~(d) (I) (Deleted by amendment, L. 2004, p. 904, § 28, effective~~
8 ~~May 21, 2004.)~~

9 ~~(H) (b) Nothing in this paragraph (d) shall~~ THIS SECTION DOES NOT
10 prohibit a nonowner driver or passenger in ~~the~~ A vehicle from being
11 awarded restitution if the NONOWNER driver or passenger was not covered
12 by ~~his or her~~ THE NONOWNER DRIVER'S OR PASSENGER'S own medical
13 payments coverage policy.

14 ~~(e) (f) (c) Notwithstanding any provision of law to the contrary,~~
15 ~~an insurance company, risk management fund, or public entity shall not~~
16 ~~be~~ IS NOT obligated to defend a defendant in a hearing concerning
17 restitution. ~~No~~ A court shall NOT interpret an indemnity or insurance
18 contract ~~so as to obligate~~ AS REQUIRING an insurance company, risk
19 management fund, or public entity to defend a defendant at a restitution
20 hearing absent a specific agreement.

21 ~~(H) Notwithstanding any provision of law, indemnity contract, or~~
22 ~~insurance contract to the contrary, an insurance company, risk~~
23 ~~management fund, or public entity shall not be obligated to pay or~~
24 ~~otherwise satisfy a civil judgment entered pursuant to this part 6, or to~~
25 ~~indemnify a defendant for an amount awarded in a restitution order.~~

26 ~~(f) Nothing in this article shall be construed to limit or abrogate~~
27 ~~the rights and immunities set forth in the "Colorado Governmental~~

1 ~~Immunity Act", article 10 of title 24, C.R.S.~~

2 ~~(g) (d) The provisions of This subsection (8) shall DOES not~~
3 ~~preclude the court, pursuant to article 4.1 of title 24, C.R.S., from~~
4 ~~ordering restitution to reimburse an expenditure made by a victim~~
5 ~~compensation fund.~~

6 (12) THIS PART 6 DOES NOT PREVENT AN INSURANCE COMPANY
7 FROM FILING A CIVIL ACTION OR PURSUING ANY OTHER CIVIL REMEDY
8 AGAINST A DEFENDANT TO RECOVER LOSSES THE INSURANCE COMPANY
9 SUFFERED.

10 (13) THIS PART 6 DOES NOT LIMIT OR ABROGATE THE RIGHTS AND
11 IMMUNITIES SET FORTH IN THE "COLORADO GOVERNMENTAL IMMUNITY
12 ACT", ARTICLE 10 OF TITLE 24.

13 **SECTION 4. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2026 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.