

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 17, 2023
Date

Committee on State, Civic, Military, & Veterans Affairs.

After consideration on the merits, the Committee recommends the following:

HB23-1288 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, page 3, line 16, strike "COLORADO;" and substitute
2 "COLORADO AND PROVIDES OPPORTUNITY FOR THE PRIVATE INSURANCE
3 MARKET TO ADAPT TO CHANGING CONDITIONS;"

4 Page 3, after line 25 insert:

5 "(2) "COMMERCIAL PROPERTY INSURANCE" MEANS INSURANCE
6 AGAINST DIRECT LOSS TO COMMERCIAL PROPERTY, INCLUDING BUILDINGS
7 AND BUILDING CONTENTS, RESULTING FROM THE PERILS OF FIRE, PERILS
8 COVERED UNDER EXTENDED COVERAGE, VANDALISM, OR MALICIOUS
9 MISCHIEF. "COMMERCIAL PROPERTY INSURANCE" DOES NOT INCLUDE
10 COMMERCIAL AUTOMOBILE INSURANCE OR FARM RISKS."

11 Renumber succeeding subsections accordingly.

12 Page 4, strike line 6 and substitute "OFFERS OR SELLS ANY PROPERTY
13 INSURANCE, INCLUDING COMMERCIAL PROPERTY INSURANCE."

14 Page 4, after line 6 insert:

15 "(6) "PROPERTY INSURANCE" MEANS INSURANCE AGAINST DIRECT
16 LOSS TO RESIDENTIAL PROPERTY, INCLUDING BUILDINGS AND BUILDING
17 CONTENTS, RESULTING FROM THE PERILS OF FIRE, PERILS COVERED UNDER
18 EXTENDED COVERAGE, VANDALISM, OR MALICIOUS MISCHIEF. "PROPERTY
19 INSURANCE" DOES NOT INCLUDE AUTOMOBILE INSURANCE OR FARM
20 RISKS."

21 Page 4, line 11, strike "LEGAL" and substitute "PUBLIC".

- 1 Page 4, line 12, strike "MEMBER'S" and substitute "MEMBER INSURER'S".
- 2 Page 4, lines 18 and 19, strike "HELP PERSONS OBTAIN" and substitute
3 "PROVIDE".
- 4 Page 4, line 20, after "COMMERCIAL" insert "PROPERTY".
- 5 Page 4, strike lines 22 and 23 and substitute:
- 6 "(3) THE FAIR PLAN ASSOCIATION SHALL:".
- 7 Page 4, line 24, after "INSURANCE" add "AND A COMMERCIAL PROPERTY
8 INSURANCE".
- 9 Page 4, line 25, strike "SATISFIES" and substitute "SATISFY".
- 10 Page 5, strike line 2 and substitute "MEMBER INSURER'S WRITTEN PREMIUM
11 FOR PROPERTY AND COMMERCIAL PROPERTY INSURANCE".
- 12 Page 5, strike lines 4 through 8 and substitute:
- 13 "(4) THE FAIR PLAN ASSOCIATION MAY ISSUE PROPERTY
14 INSURANCE POLICIES, INCLUDING COMMERCIAL PROPERTY INSURANCE
15 POLICIES, AND REINSURE IN WHOLE OR IN PART ANY SUCH POLICIES, CEDE
16 ANY SUCH REINSURANCE, OR TRANSFER RISK TO OTHER CAPITAL
17 MARKETS.".
- 18 Page 5, line 17, strike "NINE".
- 19 Page 5, strike line 19 and substitute:
- 20 "(I) TWO MEMBERS REPRESENTING ADMITTED MUTUAL INSURERS".
- 21 Page 5, strike line 21 and substitute:
- 22 "(II) TWO MEMBERS REPRESENTING ADMITTED STOCK INSURERS".
- 23 Page 5, strike lines 26 and 27.
- 24 Page 6, strike line 1.
- 25 Renumber succeeding subparagraphs accordingly.

- 1 Page 6, line 8, strike "THREE" and substitute "TWO".
- 2 Page 6, line 9, after "REPRESENTING" insert "CONSUMER ADVOCACY
3 ORGANIZATIONS AND".
- 4 Page 6, lines 21 and 22, strike "(1)(a)(V) OR (1)(a)(VI)" and substitute
5 "(1)(a)(IV) OR (1)(a)(V)".
- 6 Page 6, line 24, strike "ONE OF THE MEMBERS" and substitute "THE
7 MEMBER".
- 8 Page 6, line 25, strike "OR (1)(a)(IV)".
- 9 Page 6, line 26, strike "(1)(a)(VII)" and substitute "(1)(a)(VI)".
- 10 Page 7, line 6, strike "INITIATIVE, OR SHALL," and substitute "INITIATIVE
11 OR".
- 12 Page 7, strike lines 10 through 14.
- 13 Renumber succeeding subsection accordingly.
- 14 Page 8, line 16, strike "REINSURANCE." and substitute "REINSURANCE OR
15 OTHER CAPITAL RISK TRANSFER MARKETS.".
- 16 Page 8, line 23, strike "IS CONSISTENT WITH" and substitute "SATISFIES".
- 17 Page 9, lines 2 and 3, strike "ONE MILLION DOLLARS FOR HOMEOWNERS"
18 and substitute "SEVEN HUNDRED FIFTY THOUSAND DOLLARS FOR
19 PROPERTY".
- 20 Page 9, line 15, after "PROPERTY" insert "and "AND COMMERCIAL
21 PROPERTY".
- 22 Page 9, line 18, after "PROPERTY" insert "AND COMMERCIAL PROPERTY".
- 23 Page 9, line 26, after "OPERATION" insert "THAT SATISFIES THIS PART 18".
- 24 Page 10, strike lines 7 through 22 and substitute:
- 25 "(4) (a) IF THE COMMISSIONER DETERMINES THAT AN APPROVED
26 PLAN OF OPERATION IS INSUFFICIENT TO SATISFY THE REQUIREMENTS OF
27 THIS PART 18, THE COMMISSIONER SHALL PROVIDE AT LEAST THIRTY DAYS'

1 NOTICE TO THE BOARD OF THE COMMISSIONER'S INTENT TO REVOKE
2 APPROVAL OF ALL OR PART OF THE PLAN OF OPERATION. WITHIN THIRTY
3 DAYS AFTER THE COMMISSIONER'S NOTICE OF INTENT TO REVOKE THE PLAN
4 OF OPERATION, THE BOARD MAY SUBMIT A REVISED PLAN OF OPERATION
5 OR REVISED PART OF THE PLAN OF OPERATION FOR THE COMMISSIONER'S
6 REVIEW AND APPROVAL.

7 (b) IF THE BOARD FAILS TO SUBMIT A REVISED PLAN OF OPERATION
8 WITHIN THIRTY DAYS AFTER THE NOTICE PROVIDED PURSUANT TO
9 SUBSECTION (4)(a) OF THIS SECTION, THE COMMISSIONER MAY MAKE
10 SPECIFIC CHANGES TO THE EXISTING PLAN OF OPERATION SO THAT THE
11 PLAN SATISFIES THE REQUIREMENTS OF THIS PART 18. THE
12 COMMISSIONER'S CHANGES TO THE PLAN OF OPERATION DO NOT AFFECT
13 THE VALIDITY OF ANY POLICIES EXECUTED BEFORE THE DATE OF THE
14 CHANGE.

15 (c) IF THE BOARD SUBSEQUENTLY SUBMITS A SUITABLE PLAN OF
16 OPERATION TO SATISFY THE REQUIREMENTS OF THIS PART 18, THAT PLAN
17 OF OPERATION OR AMENDMENTS SUPERSEDES THE COMMISSIONER'S
18 CHANGES.

19 **10-4-1808. FAIR plans - requirements for licensed producers.**
20 THE FAIR PLAN ASSOCIATION SHALL NOT SELL A POLICY SUBJECT TO THIS
21 PART 18 DIRECTLY TO ANY PERSON OR ENTITY. A FAIR PLAN POLICY MAY
22 BE ISSUED ONLY THROUGH A LICENSED PRODUCER WHO SHALL, ON BEHALF
23 OF A PERSON OR ENTITY, INCLUDE EVIDENCE OF AT LEAST THREE
24 DECLINATIONS OF COVERAGE FOR THE PROPERTY AS PART OF THE
25 SUBMITTAL OF AN APPLICATION FOR A POLICY WITH THE FAIR PLAN
26 ASSOCIATION."

27 Renumber succeeding C.R.S. sections.

28 Page 10, line 23, strike "**fees - tax offset.**" and substitute "**fees.**".

29 Page 10, line 27, strike "RECOVER" and substitute "RECOUP".

30 Page 11, strike lines 12 through 23 and substitute "(2)(a) OF THIS SECTION
31 MAY RECOUP THE FEE DIRECTLY FROM THE MEMBER INSURER'S
32 POLICYHOLDERS AS A SURCHARGE ON THE POLICYHOLDERS. THE
33 SURCHARGE MAY BE RECOUPED OVER A REASONABLE AMOUNT OF TIME.

34 (c) A MEMBER INSURER SHALL NOT INCREASE PREMIUMS BASED ON
35 A FEE ASSESSED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

36 (d) THE FEE DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION IS
37 NOT A PREMIUM FOR ANY PURPOSE, INCLUDING THE COMPUTATION OF THE
38 GROSS PREMIUM TAX DESCRIBED IN SECTION 10-3-209, OR A LICENSED
39 PRODUCER'S COMMISSION."

1 Page 12, strike lines 22 through 27.

2 Page 13, strike lines 1 through 4 and substitute:

3 **"10-4-1811. Appeals - judicial review.** ANY FINAL ACTION OR
4 ORDER OF THE COMMISSIONER ISSUED PURSUANT TO THIS PART 18 IS
5 SUBJECT TO JUDICIAL REVIEW BY THE COURT OF APPEALS PURSUANT TO
6 SECTION 24-4-106 (11).".

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