



**Colorado
Legislative
Council
Staff**

SB16-198

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 26, 2016)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1250
Prime Sponsor(s): Sen. Holbert
Rep. Kraft-Tharp

Date: May 3, 2016
Bill Status: House Business Affairs and Labor
Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: WORKERS' COMPENSATION INSURANCE FORMS CERTIFIED FILED WITH THE DIVISION OF INSURANCE

Fiscal Impact Summary	FY 2015-2016 <i>(current year)</i>	FY 2016-2017	FY 2017-2018
State Revenue			
State Expenditures	Minimal workload increases and reductions.		
Appropriation Required: None.			
Future Year Impacts: Ongoing minimal workload increases and reductions.			

Summary of Legislation

This **reengrossed** bill adds advisory organizations and rating organizations to the list of entities required to comply with current law regarding submission of policy forms, which may include any endorsement, rider, letter, notice, or other document affecting an insurance policy or contract. These materials are to be submitted to the Commissioner of Insurance in the Division of Insurance (DOI) within the Department of Regulatory Agencies via an annual report due by July 1 of each year. The annual report must include certification that the documents are, to the best of an officer's knowledge, in compliance with Colorado law.

If a workers' compensation carrier uses forms, without modification, prepared by an advisory or a rating organization, the carrier is required to notify the DOI that it adopted the annual report filed by the advisory or rating organization and does not have to submit its own certification.

Every carrier, advisory organization, and rating organization must also submit a list of any new or revised policy forms as may be requested by the DOI at least 31 days prior to their use. Unless a carrier notifies the DOI otherwise, policy forms submitted on behalf of a member of an advisory or rating organization are deemed to be automatically adopted by the carrier without modification.

State Expenditures

Overall, this bill is expected to affect workload in the DOI by a minimal amount. It increases workload for the DOI to accept annual reports from advisory and rating organizations, but may reduce workload as a result of not having to examine and investigate carriers that adopt forms promulgated by those organizations. No adjustments in appropriations are expected for the DOI.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Information Technology

Labor

Regulatory Agencies