

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0288.01 Christy Chase x2008

HOUSE BILL 22-1269

HOUSE SPONSORSHIP

Lontine,

SENATE SPONSORSHIP

Hansen,

House Committees
Health & Insurance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING REQUIREMENTS IMPOSED ON UNAUTHORIZED PERSONS
102 OFFERING COVERAGE OF HEALTH-CARE COSTS FOR COLORADO
103 RESIDENTS.

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>.)

Starting October 1, 2022, and by each March 1 thereafter, the bill requires any person that is not authorized to engage in the business of insurance in this state but that offers or intends to offer a plan or arrangement to facilitate payment of or to cover health-care costs or services for Colorado residents to annually submit to the commissioner

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

of insurance (commissioner) specified information and a certification that the information is accurate and complies with the requirements of the bill. The submission must include information about the operation of the plan or arrangement in the immediately preceding calendar year, including:

- The number of participants in the plan or arrangement;
- The total amount of fees, dues, or other payments collected from participants and the percentage of fees, dues, or other payments that the person retained;
- The total amount of payments made to providers or to reimburse participants for health-care services provided or received;
- The estimated number of participants the person anticipates in the next calendar year;
- The counties in which the person offers or intends to offer a plan or arrangement and any other states in which the person offers a plan or arrangement;
- A list of third parties associated with, or offering or enrolling participants in a plan or arrangement on behalf of, the person and a detailed accounting of commissions or other remuneration paid to a third party for services provided in promoting or administering the plan or arrangement;
- The person's reserve balance; and
- Contact information for an individual serving as the person's contact person in this state, a list of the person's officers and directors, and the person's organizational chart.

Within 45 days after receipt, the commissioner is to determine whether a submission by a person is complete. Each year, the commissioner is to compile a report summarizing the information submitted by persons, post the report on the division of insurance website, and submit the report to specified legislative committees. The commissioner is authorized to adopt rules to implement the bill and to issue an emergency cease-and-desist order against a person that fails to comply with the requirements of the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-16-107.4 as
3 follows:

4 **10-16-107.4. Health-care sharing plan or arrangement -**
5 **required reporting and certification - noncompliance - information**

1 **posted on division website - reports to general assembly - rules. (1) A**
2 PERSON NOT AUTHORIZED BY THE COMMISSIONER PURSUANT TO ARTICLE
3 3 OF THIS TITLE 10 TO OFFER INSURANCE IN THIS STATE THAT OFFERS OR
4 INTENDS TO OFFER A PLAN OR ARRANGEMENT TO FACILITATE PAYMENT OF
5 OR TO COVER HEALTH-CARE COSTS OR SERVICES FOR RESIDENTS OF THIS
6 STATE, REGARDLESS OF WHETHER THE PERSON IS DOMICILED IN THIS STATE
7 OR ANOTHER STATE, SHALL SUBMIT TO THE COMMISSIONER BY OCTOBER
8 1, 2022, AND BY MARCH 1 EACH YEAR THEREAFTER:

9 (a) THE FOLLOWING INFORMATION:

10 (I) THE TOTAL NUMBER OF INDIVIDUALS AND HOUSEHOLDS THAT
11 PARTICIPATED IN THE PLAN OR ARRANGEMENT IN THIS STATE IN THE
12 IMMEDIATELY PRECEDING CALENDAR YEAR;

13 (II) THE TOTAL NUMBER OF EMPLOYER GROUPS THAT
14 PARTICIPATED IN THE PLAN OR ARRANGEMENT IN THIS STATE IN THE
15 IMMEDIATELY PRECEDING CALENDAR YEAR, SPECIFYING THE TOTAL
16 NUMBER OF PARTICIPATING INDIVIDUALS IN EACH PARTICIPATING
17 EMPLOYER GROUP;

18 (III) THE TOTAL AMOUNT OF FEES, DUES, OR OTHER PAYMENTS
19 COLLECTED BY THE PERSON IN THE IMMEDIATELY PRECEDING CALENDAR
20 YEAR FROM INDIVIDUALS, EMPLOYER GROUPS, OR OTHERS WHO
21 PARTICIPATED IN THE PLAN OR ARRANGEMENT IN THIS STATE, SPECIFYING
22 THE PERCENTAGE OF FEES, DUES, OR OTHER PAYMENTS RETAINED BY THE
23 PERSON FOR ADMINISTRATIVE EXPENSES;

24 (IV) THE TOTAL AMOUNT OF PAYMENTS MADE TO PROVIDERS IN
25 THE IMMEDIATELY PRECEDING CALENDAR YEAR FOR HEALTH-CARE
26 SERVICES PROVIDED TO OR RECEIVED BY A PLAN OR ARRANGEMENT
27 PARTICIPANT;

1 (V) THE TOTAL AMOUNT OF REIMBURSEMENTS MADE TO PLAN OR
2 ARRANGEMENT PARTICIPANTS IN THE IMMEDIATELY PRECEDING CALENDAR
3 YEAR FOR HEALTH-CARE SERVICES PROVIDED TO OR RECEIVED BY A PLAN
4 OR ARRANGEMENT PARTICIPANT;

5 (VI) THE ESTIMATED NUMBER OF PLAN OR ARRANGEMENT
6 PARTICIPANTS THE PERSON IS ANTICIPATING IN THE NEXT CALENDAR YEAR,
7 SPECIFYING THE ESTIMATED NUMBER OF INDIVIDUALS, HOUSEHOLDS,
8 EMPLOYER GROUPS, AND EMPLOYEES;

9 (VII) THE SPECIFIC COUNTIES IN THIS STATE IN WHICH THE PERSON:

10 (A) OFFERED A PLAN OR ARRANGEMENT IN THE IMMEDIATELY
11 PRECEDING CALENDAR YEAR; AND

12 (B) INTENDS TO OFFER A PLAN OR ARRANGEMENT IN THE NEXT
13 CALENDAR YEAR;

14 (VIII) OTHER STATES IN WHICH THE PERSON OFFERS A PLAN OR
15 ARRANGEMENT;

16 (IX) A LIST OF ANY THIRD PARTY, INCLUDING A PRODUCER, THAT
17 IS ASSOCIATED WITH THE PERSON OR ASSISTS THE PERSON IN OFFERING OR
18 ENROLLING PARTICIPANTS IN THE PLAN OR ARRANGEMENT, COPIES OF ANY
19 TRAINING MATERIALS PROVIDED TO A THIRD PARTY, INCLUDING A
20 PRODUCER, AND A DETAILED ACCOUNTING OF ANY COMMISSIONS OR
21 OTHER FEES OR REMUNERATION PAID TO A THIRD PARTY, INCLUDING A
22 PRODUCER, IN THE IMMEDIATELY PRECEDING CALENDAR YEAR FOR:

23 (A) MARKETING, PROMOTING, OR ENROLLING PARTICIPANTS IN A
24 PLAN OR ARRANGEMENT OFFERED BY THE PERSON IN THIS STATE; OR

25 (B) OPERATING, MANAGING, OR ADMINISTERING A PLAN OR
26 ARRANGEMENT OFFERED BY THE PERSON IN THIS STATE;

27 (X) COPIES OF ANY CONSUMER-FACING AND MARKETING

1 MATERIALS USED IN PROMOTING THE PERSON'S PLAN OR ARRANGEMENT,
2 INCLUDING PLAN OR ARRANGEMENT AND BENEFIT DESCRIPTIONS AND
3 OTHER MATERIALS THAT EXPLAIN THE PLAN OR ARRANGEMENT;

4 (XI) THE NAME, MAILING ADDRESS, E-MAIL ADDRESS, AND
5 TELEPHONE NUMBER OF AN INDIVIDUAL SERVING AS A CONTACT PERSON
6 FOR THE PERSON IN THIS STATE;

7 (XII) A LIST OF ANY PARENT COMPANIES, SUBSIDIARIES, AND
8 OTHER NAMES THAT THE PERSON HAS OPERATED UNDER AT ANY TIME
9 WITHIN THE IMMEDIATELY PRECEDING FIVE CALENDAR YEARS;

10 (XIII) AN ORGANIZATIONAL CHART FOR THE PERSON AND A LIST
11 OF THE OFFICERS AND DIRECTORS OF THE PERSON;

12 (XIV) THE BALANCE OF RESERVES THE PERSON HAS AT THE TIME
13 OF SUBMITTAL; AND

14 (XV) ANY OTHER INFORMATION REGARDING THE PERSON THAT
15 THE COMMISSIONER DEEMS RELEVANT TO CONSUMER PROTECTION AND
16 THAT THE COMMISSIONER SPECIFIES BY RULE;

17 (b) A CERTIFICATION BY AN OFFICER OF THE PERSON THAT, TO THE
18 BEST OF THE PERSON'S GOOD-FAITH KNOWLEDGE AND BELIEF, THE
19 INFORMATION SUBMITTED IS ACCURATE AND SATISFIES THE
20 REQUIREMENTS OF THIS SUBSECTION (1).

21 (2) (a) IF THE PERSON SUBJECT TO THE REQUIREMENTS OF
22 SUBSECTION (1) OF THIS SECTION FAILS TO SUBMIT THE INFORMATION OR
23 CERTIFICATION REQUIRED BY SAID SUBSECTION, THE SUBMISSION IS
24 INCOMPLETE. THE COMMISSIONER SHALL MAKE A DETERMINATION OF
25 COMPLETENESS NO LATER THAN FORTY-FIVE DAYS AFTER THE SUBMISSION.
26 IF THE COMMISSIONER HAS NOT INFORMED THE PERSON OF ANY
27 DEFICIENCIES IN THE SUBMISSION WITHIN FORTY-FIVE DAYS AFTER

1 RECEIVING THE SUBMISSION, THE SUBMISSION IS CONSIDERED COMPLETE.

2 (b) IF A PERSON FAILS TO COMPLY WITH THE REQUIREMENTS OF
3 SUBSECTION (1) OF THIS SECTION, THE COMMISSIONER MAY ISSUE AN
4 EMERGENCY CEASE-AND-DESIST ORDER IN ACCORDANCE WITH SECTION
5 10-3-904.5.

6 (3) ON OR BEFORE APRIL 1, 2023, AND ON OR BEFORE EACH
7 OCTOBER 1 THEREAFTER, THE COMMISSIONER SHALL:

8 (a) PREPARE A WRITTEN REPORT SUMMARIZING THE INFORMATION
9 SUBMITTED BY PERSONS PURSUANT TO SUBSECTION (1) OF THIS SECTION;

10 (b) POST ON THE DIVISION'S WEBSITE THE REPORT AND
11 INFORMATION ABOUT HOW CONSUMERS MAY FILE COMPLAINTS ABOUT
12 UNAUTHORIZED PERSONS; AND

13 (c) SUBMIT THE REPORT TO THE SENATE HEALTH AND HUMAN
14 SERVICES COMMITTEE AND THE HOUSE OF REPRESENTATIVES HEALTH AND
15 INSURANCE COMMITTEE OR ANY SUCCESSOR COMMITTEES.
16 NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO
17 REPORT TO THE LEGISLATIVE COMMITTEES CONTINUES INDEFINITELY.

18 (4) THE COMMISSIONER MAY ADOPT RULES AS NECESSARY TO
19 IMPLEMENT THIS SECTION.

20 **SECTION 2.** In Colorado Revised Statutes, 10-3-904.5, **amend**
21 (1)(a) as follows:

22 **10-3-904.5. Emergency cease-and-desist orders - issuance.**

23 (1) The commissioner may issue an emergency cease-and-desist order ex
24 parte if:

25 (a) The commissioner believes that:

26 (I) An unauthorized person is engaging in the business of
27 insurance in violation of the provisions of section 10-3-105 or 10-3-903

1 or is in violation of a rule promulgated by the commissioner; ~~and~~ OR

2 (II) A PERSON IS FAILING TO COMPLY WITH SECTION 10-16-107.4;

3 AND

4 **SECTION 3. Applicability.** This act applies to conduct occurring
5 on or after the effective date of this act.

6 **SECTION 4. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety.