

CHAPTER 123

INSURANCE

HOUSE BILL 96-1229

BY REPRESENTATIVES Owen and Martin;
also SENATORS Wattenberg and Norton.

AN ACT

CONCERNING THE AMOUNT OF COVERAGE OFFERED BY AN INSURER TO AN INSURED FOR AN EXTENDED REPORTING PERIOD OF A CLAIMS-MADE POLICY.

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

SECTION 1. 10-4-419 (2) (d) and (3) (a) (III), Colorado Revised Statutes, 1994 Repl. Vol., are amended to read:

10-4-419. Claims-made policy forms. (2) A claims-made policy shall not be delivered or issued for delivery to any person in this state unless:

(d) The policy offers, at the insured's option, the purchase of an extended reporting period of at least one year for claims not filed during the ~~expiring reporting~~ POLICY period. ~~Such coverage shall be equal to the aggregate limit of the policy coverage.~~ The premium may not exceed two hundred percent of the expiring policy premium unless the adjusted premium is determined by the commissioner to be inadequate based upon section 10-4-403 and based upon an opinion of a qualified actuary submitted on behalf of the insurer.

(3) (a) The commissioner may prohibit the use of a claims-made liability policy if the policy does not contain one or more of the following policy provisions:

(III) A policy provision that, at the insured's option, ~~he~~ THE INSURED may purchase coverage for an extended reporting period of at least the length of time of exposure under the applicable statute of limitation; ~~Such coverage shall be equal to the aggregate limit of the policy coverage;~~ and

SECTION 2. Effective date - applicability. This act shall take effect July 1,

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

1996, and shall apply to all claims-made insurance policies delivered or issued for delivery on or after said date.

SECTION 3. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: April 25, 1996