

CHAPTER 44

INSURANCE

HOUSE BILL 96-1096

BY REPRESENTATIVES May and Martin;
also SENATOR Alexander.

AN ACT

CONCERNING THE POWER OF AN INTERINSURANCE EXCHANGE TO DEAL WITH REAL PROPERTY IN ITS OWN NAME.

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

SECTION 1. Article 13 of title 10, Colorado Revised Statutes, 1994 Repl. Vol., is amended BY THE ADDITION OF A NEW SECTION to read:

10-13-109.5. Exchange may hold and convey real estate. (1) ANY RECIPROCAL OR INTERINSURANCE EXCHANGE AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE MAY, IN ITS OWN NAME, PURCHASE, TAKE, RECEIVE, LEASE, OR OTHERWISE ACQUIRE, OWN, HOLD, IMPROVE, USE, AND OTHERWISE DEAL IN AND WITH REAL PROPERTY, OR HAVE AN INTEREST IN REAL PROPERTY, WHEREVER SITUATED, AND MAY SELL, CONVEY, ASSIGN, ENCUMBER, MORTGAGE, PLEDGE, LEASE, EXCHANGE, TRANSFER, AND OTHERWISE DISPOSE OF ALL OR ANY PART OF SUCH REAL PROPERTY OR INTEREST.

(2) (a) TO ENCUMBER, TRANSFER, OR OTHERWISE AFFECT AN ESTATE OR INTEREST IN REAL PROPERTY IN ITS OWN NAME, A RECIPROCAL OR INTERINSURANCE EXCHANGE SHALL EXECUTE AND RECORD, IN THE OFFICE OF THE CLERK AND RECORDER IN THE COUNTY IN WHICH SUCH REAL PROPERTY IS LOCATED, A STATEMENT OF AUTHORITY THAT SETS FORTH:

(I) THE NAME OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE;

(II) THE ADDRESS, INCLUDING THE STREET ADDRESS, IF ANY, OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE; AND

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

(III) THE NAME OF THE PERSON OR ENTITY AUTHORIZED TO ENCUMBER, TRANSFER, OR OTHERWISE AFFECT AN ESTATE OR INTEREST IN REAL PROPERTY IN THE NAME OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE.

(b) THE STATEMENT OF AUTHORITY SHALL BE EXECUTED AND ACKNOWLEDGED BY THE SECRETARY OR ASSISTANT SECRETARY OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE WHO IS NOT THE PERSON AUTHORIZED TO ENCUMBER, TRANSFER, OR OTHERWISE AFFECT AN ESTATE OR INTEREST IN REAL PROPERTY IN THE NAME OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE.

(c) AN OFFICIAL WITH WHOM A STATEMENT OF AUTHORITY IS RECORDED MAY CHARGE AND COLLECT A FEE FOR SUCH RECORDATION NOT TO EXCEED THE FEE FOR RECORDATION OF AN ENCUMBRANCE OR TRANSFER OF REAL PROPERTY.

(d) AFTER RECORDING, A STATEMENT OF AUTHORITY, AS IT MAY BE AMENDED FROM TIME TO TIME, SHALL REMAIN EFFECTIVE UNTIL A CANCELLATION THEREOF IS RECORDED. AN AMENDMENT OR CANCELLATION OF A STATEMENT OF AUTHORITY SHALL MEET THE REQUIREMENTS FOR EXECUTION AND RECORDING OF AN ORIGINAL STATEMENT.

(e) THE RECORDED STATEMENT OF AUTHORITY, ANY AMENDMENT THEREOF, AND ANY CANCELLATION THEREOF SHALL CONSTITUTE PRIMA FACIE EVIDENCE OF THE FACTS RECITED THEREIN, THE AUTHORITY OF THE PERSON EXECUTING SUCH STATEMENT, AMENDMENT, OR CANCELLATION TO EXECUTE AND RECORD SUCH STATEMENT, AMENDMENT, OR CANCELLATION, AND THE AUTHORITY OF THE PERSON OR ENTITY NAMED THEREIN TO ENCUMBER, TRANSFER, OR OTHERWISE AFFECT AN ESTATE OR INTEREST IN REAL PROPERTY IN THE NAME OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE.

(3) ANY CONTRACT, DEED, LEASE, MORTGAGE, DEED OF TRUST, PURCHASE OR SALE AGREEMENT, OR ANY OTHER CONTRACT, DOCUMENT, OR INSTRUMENT TO BE EXECUTED IN THE NAME OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE MAY BE EXECUTED BY THE PERSON OR ENTITY DESIGNATED IN THE RECORDED STATEMENT OF AUTHORITY OF THE RECIPROCAL OR INTERINSURANCE EXCHANGE.

(4) NOTWITHSTANDING THE PROVISIONS OF SECTION 38-30-123, C.R.S., THE POWER OF ATTORNEY OR OTHER AUTHORIZING DOCUMENT ACTUALLY EXECUTED BY SUBSCRIBERS TO THE RECIPROCAL OR INTERINSURANCE EXCHANGE SHALL NOT BE FILED OR RECORDED IN OR BECOME PART OF THE PUBLIC RECORDS.

(5) THE VALIDITY OF TRANSACTIONS DESCRIBED IN SUBSECTION (1) OF THIS SECTION ENTERED INTO PRIOR TO JULY 1, 1996, AND THE RIGHTS, DUTIES, AND INTERESTS CONTAINED THEREIN SHALL REMAIN UNIMPAIRED AND MAY BE COMPLETED, CONFIRMED, OR ENFORCED IN ACCORDANCE WITH THE LAW OR CUSTOM IN EFFECT PRIOR TO JULY 1, 1996, OR PURSUANT TO THE TERMS OF THIS SECTION.

SECTION 2. 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 8, 1996