

CHAPTER 153

INSURANCE

SENATE BILL 97-041

BY SENATORS Hopper, Alexander, Bishop, Chlouber, Coffman, Hernandez, Linkhart, Martinez, Matsunaka, Pascoe, Reeves, Rupert, Tanner, Wells, and Wham;
also REPRESENTATIVES Anderson, Bacon, Dyer, Epps, Grossman, Hagedorn, Keller, and Lawrence.

AN ACT

CONCERNING THE CONTINUED OPERATION OF THE COLORADO UNINSURABLE HEALTH INSURANCE PLAN.

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

SECTION 1. 10-8-503 (1), (5), (6), (8), (9), (11), (12), (15), and (18), Colorado Revised Statutes, 1994 Repl. Vol., are amended, and the said 10-8-503 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

10-8-503. Definitions. As used in this part 5, unless the context otherwise requires:

(1) "Administering carrier" means the ~~insurer~~ CARRIER or third-party administrator designated in this part 5.

(3.5) "Carrier" has the same meaning as set forth in section 10-16-102 (8).

(5) "Eligible ~~person~~ INDIVIDUAL" means a resident of this state who meets the eligibility requirements established in this part 5, whether or not such resident is legally responsible for the payment of medical expenses incurred on such resident's behalf.

(6) ~~"Employer" means any person who employs one or more persons in this state.~~

(7.5) "HEALTH BENEFIT PLAN" HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-102 (21).

(8) "Health care services" ~~means any services or products included in the~~

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

~~furnishing to any individual of medical care or hospitalization or any services or products incidental to the furnishing of such care or hospitalization~~ HAS THE SAME MEANING AS SET FORTH IN SECTION 10-16-102 (22).

(9) ~~"Health insurance" means any hospital and medical expense-incurred policy; nonprofit hospital, medical-surgical, and health service corporation contract; health maintenance organization enrollee's evidence of coverage certificate, agreement, or contract; policy or certificate of sickness and accident insurance issued by a fraternal benefit society; or such other policy of sickness and accident insurance as defined in section 10-16-102 (30). The term does not include short-term, accident, fixed indemnity, specified disease policies or disability income contracts, and limited benefit or credit disability insurance, or such other insurance as defined in section 10-16-102(30) or defined by the commissioner. The term does not include insurance arising out of the "Workers' Compensation Act of Colorado" or other similar law, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and which is required by law to be contained in any liability insurance policy or equivalent self-insurance.~~

(11) "Insured" means an eligible ~~person~~ INDIVIDUAL who has been accepted into the plan and who is receiving health ~~insurance~~ coverage under the plan.

(12) ~~"Insurer" means an insurance company authorized by the commissioner to transact insurance business in this state, which company issues contracts for health insurance, or any nonprofit hospital, medical-surgical, and health service corporation; health maintenance organization, or fraternal benefit society that offers health insurance in this state.~~

(15) ~~"Person" means an individual.~~

(17.5) "QUALIFYING PREVIOUS COVERAGE" HAS THE SAME MEANING AS "CREDIBLE COVERAGE" AS SET FORTH IN SECTION 10-16-102 (13.7).

(18) "Resident" means ~~a person~~ AN INDIVIDUAL whose principal or primary place of abode or residence, as defined in section 1-2-102, C.R.S., is in the state of Colorado and who has been such a resident for six months or longer.

SECTION 2. 10-8-505 (2) (a), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-505. Board of directors. (2) (a) Six board members shall be appointed by the governor with the consent of the senate. These members shall serve for terms of four years; except that, of those members initially appointed, two shall serve for terms of two years, two shall serve for terms of three years, and two shall serve for terms of four years. The governor shall appoint a qualified person to fill any vacancy on the board for the remainder of any unexpired term. These board members shall be appointed as follows: ~~One shall be a representative of an insurer; one shall be a representative of a nonprofit health care service plan; one shall be a representative of a health maintenance organization;~~ THREE SHALL BE REPRESENTATIVES OF CARRIERS, ONE OF WHICH SHALL BE A REPRESENTATIVE OF A HEALTH MAINTENANCE ORGANIZATION AND ONE OF WHICH SHALL BE A REPRESENTATIVE OF A SICKNESS AND ACCIDENT INSURANCE CARRIER; one shall be a member who is a medical professional

who specializes in chronic disease; and two shall be members from among ~~persons~~ INDIVIDUALS eligible to be insured under the plan as defined in this part 5 and who are not associated with the medical profession, any hospital, or any ~~insurer~~ CARRIER.

SECTION 3. 10-8-506 (1) (a), (1) (e), (1) (f), (1) (i), and (1) (k), Colorado Revised Statutes, 1994 Repl. Vol., are amended, and the said 10-8-506 (1) is further amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to read:

10-8-506. Board - powers and duties. (1) The board shall be the governing body of the plan and shall have all powers necessary to implement the provisions of this part 5. In addition, the board shall have the specific authority to:

(a) Enter into such contracts as are necessary or proper to carry out the provisions and purposes of this part 5 including CONTRACTS WITH APPROPRIATE ADMINISTRATIVE STAFF, CONSULTANTS, AND LEGAL COUNSEL. IN ADDITION, THE BOARD SHALL HAVE the authority, with the approval of the commissioner, to enter into contracts with other states with similar plans for the joint performance of common administrative functions or with persons or other organizations for the performance of administrative functions. NO CONTRACT ENTERED INTO PURSUANT TO THIS PARAGRAPH (a) SHALL BE SUBJECT TO THE PROVISIONS OF ARTICLE 103 OF TITLE 24, C.R.S.

(e) Establish an appropriate benefit plan design with cost-containment controls, which shall include but not be limited to preadmission review, case management, utilization reviews, exclusions or limitations with respect to treatment and services including capitated managed care for certain insureds, and ~~member~~ INSURED deductibles. The presence, the nature, or the conduct of any such cost containment controls may not be the basis for any civil liability in any legal action whether alleging personal injury or otherwise, unless injury results from willful and wanton misconduct.

(e.5) ESTABLISH SUCH PROCEDURES AND STANDARDS FOR THE SUBSIDIZATION OF PREMIUMS, DEDUCTIBLES, AND OTHER POLICY EXPENSES OF QUALIFIED INSURED AS MAY BE APPROPRIATE TO ACCOMPLISH THE PURPOSES OF THIS PART 5. FOR THE PURPOSES OF THIS SUBSIDIZATION PROGRAM, THE BOARD MAY REQUEST THE SUBMITTAL OF SUCH DOCUMENTATION BY ELIGIBLE INDIVIDUALS AS IT DEEMS NECESSARY, INCLUDING THE SUBMITTAL OF COLORADO STATE INCOME TAX RETURNS.

(f) Oversee the issuance of policies of insurance AND CERTIFICATES OR EVIDENCES OF COVERAGE in accordance with the requirements of this part 5;

(g.5) DEVELOP A LIST OF MEDICAL OR HEALTH CONDITIONS THE EXISTENCE OR HISTORY OF WHICH MAKES AN INDIVIDUAL ELIGIBLE FOR PARTICIPATION IN THE PLAN WITHOUT FIRST REQUIRING APPLICATION TO A CARRIER FOR HEALTH COVERAGE;

(i) Borrow money to effect the purposes of this part 5. Any notes or other evidence of indebtedness of the plan not in default shall be legal investments for ~~insurers~~ CARRIERS and may be carried as admitted assets.

(k) Employ appropriate personnel, including administrative staff, consultants, and legal counsel as necessary to assist the board in implementing the purposes of this

~~part 5.~~

SECTION 4. 10-8-508 (2), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-508. Plan of operation - contents. (2) All applicants and participants reporting any grievance pursuant to paragraph (f) of subsection (1) of this section shall exhaust all administrative remedies as set forth by the board before any such grievance may be the basis for legal action. ~~in a court of competent jurisdiction~~ THE VENUE FOR ANY LEGAL ACTION INVOLVING THE PLAN SHALL BE THE CITY AND COUNTY OF DENVER. NOTHING IN THIS SUBSECTION (2) SHALL PROHIBIT THE BOARD FROM REQUIRING BINDING ARBITRATION FOR THE FINAL ADJUDICATION OF ANY GRIEVANCE.

SECTION 5. 10-8-509 (1) (a), the introductory portion to 10-8-509 (1) (b), and 10-8-509 (1) (d), (1) (f), and (2), Colorado Revised Statutes, 1994 Repl. Vol., are amended to read:

10-8-509. Administering carrier. (1) The administering carrier shall perform all administrative, eligibility, and claims payment functions relating to the plan, including:

(a) Establishing a billing procedure for collection of premiums from ~~insured persons~~ INSUREDS. Billings shall be made on a periodic basis as determined by the board, which shall not be more frequent than a monthly billing.

(b) Assuring timely payment of benefits to ~~persons covered under the plan~~ INSUREDS, including:

(d) Paying claims expenses from the premium payments received from or on behalf of ~~plan participants~~ INSUREDS. If the payments for claims expenses exceed the portion of premiums allocated by the board for payment of claims expenses, the board shall provide for additional funds for payment of claims expenses.

(f) Accepting payments of premiums from ~~insured persons and transmitting such payments to the state treasurer for credit to the Colorado uninsurable health insurance plan cash fund established in section 10-8-530 (1).~~ Prior to such transmission, the administering carrier may deduct administrative expenses from such payments in an amount approved by the board INSUREDS.

(2) The board shall establish its own competitive bidding process to select ~~an insurer or insurers~~ A CARRIER OR THIRD PARTY ADMINISTRATOR to serve as the administering carrier and ~~need not follow the provisions of article 103 of title 24, C.R.S., in making such selection~~ TO SELECT ONE OR MORE VENDORS TO PROVIDE SERVICES THAT MAY BE NECESSARY TO ADMINISTER THE PLAN. The board shall evaluate bids submitted based on the criteria it establishes ~~which criteria shall include:~~ AND SHALL NOT BE SUBJECT TO THE PROVISIONS OF ARTICLE 103 OF TITLE 24, C.R.S., IN MAKING SUCH SELECTIONS.

~~(a) The insurer's proven ability to provide accident and health insurance;~~

~~(b) The efficiency of the insurer's claim-paying procedures;~~

~~(c) The insurer's ability to administer the plan in a cost-efficient manner using case management and proven cost-containment methods;~~

~~(d) The insurer's proposal of its total charges for administering the plan.~~

SECTION 6. 10-8-510 (2), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-510. Plan - examination - board - financial report. (2) The financial status of the plan shall be subject to examination by the commissioner or ~~his~~ THE COMMISSIONER'S designee. Such examinations shall be conducted at least once every ~~three~~ FIVE years. ~~beginning January 1, 1994. The commissioner shall transmit a copy of the results of such examinations to the general assembly by July 1 of the year in which the examination is conducted.~~

SECTION 7. 10-8-511, Colorado Revised Statutes, 1994 Repl. Vol., is repealed as follows:

10-8-511. Review of net premium - plan deficit. ~~Following the close of each calendar year, the commissioner shall determine the amount of the net premium based on certain figures for the preceding calendar year. The net premium shall be the premiums the plan has received, less administrative expenses incurred, less claim expense losses. This figure may be adjusted by taking into account investment income and any other appropriate gains and losses. Any deficit incurred by the plan shall be recovered by action of the board in adjustment of premiums, coinsurance, or deductibles, or by limitation on services to the degree possible.~~

SECTION 8. 10-8-512 (1), (2), and (3), Colorado Revised Statutes, 1994 Repl. Vol., are amended to read:

10-8-512. Premiums - standard risk rate. (1) Premiums charged for ~~health insurance coverage~~ THE POLICIES issued by the plan shall be based on the standard risk rate calculated pursuant to subsection (2) of this section and shall not be unreasonable in relation to the benefits provided, the risk experience, and the reasonable actual expenses of providing the ~~coverage~~. ~~Separate schedules of premium rates based on differential risk factors resulting from age, sex, and geographical location may apply~~ BENEFITS. RATES AND SCHEDULES MAY BE ADJUSTED BY THE BOARD FOR APPROPRIATE RISK FACTORS IN ACCORDANCE WITH ESTABLISHED ACTUARIAL UNDERWRITING PRACTICES.

(2) The standard risk rate shall be calculated using the average rate for ~~health insurance~~ BENEFIT PLANS charged by the five largest ~~insurers~~ CARRIERS in the state who offer health ~~insurance coverage~~ BENEFIT PLANS comparable to the ~~coverage offered under~~ POLICIES ISSUED BY the plan. In the event there are less than five carriers offering such ~~insurance~~ HEALTH BENEFIT PLANS, the standard risk rate shall be established by considering the rates charged by such number of ~~insurers~~ CARRIERS as there are in the state and by using reasonable actuarial techniques, which shall reflect anticipated claims experience and expenses for such ~~coverage~~ HEALTH BENEFIT PLANS.

(3) ~~Initial~~ Premium rates for coverage under the plan shall not exceed one hundred

fifty percent of the standard risk rate established pursuant to subsection (2) of this section. ~~Subsequent premium rates shall provide fully for the expected costs of claims including recovery of prior losses, operating expenses, investment income of claims reserves, and any other cost factors, subject to the limitations described in this section. However, in no event shall such subsequent premium rates exceed one hundred seventy-five percent of the standard risk rate determined pursuant to subsection (2) of this section.~~

SECTION 9. 10-8-513 (1), the introductory portion to 10-8-513 (2), and 10-8-513 (2) (a), (2) (e), (2) (f), and (3), Colorado Revised Statutes, 1994 Repl. Vol., are amended, and the said 10-8-513 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

10-8-513. Eligibility for coverage under the plan. (1) Except for those ~~persons~~ INDIVIDUALS who meet the criteria set forth in subsection (2) of this section, any ~~person~~ INDIVIDUAL who is a resident of this state ~~or AND who is a person HAS BEEN~~ residing in the United States under the color of law for at least six months, ~~(except that INCLUDING children who have been adopted PLACED FOR ADOPTION, AS DEFINED IN SECTION 10-16-104 (16.5) or are under the legal guardianship of a resident of Colorado, shall be presumed to have the same residency and citizenship of their parent or guardian)~~ shall be eligible for coverage under the plan, if such ~~person~~ INDIVIDUAL is able to provide evidence satisfactory to the administering carrier that such ~~person~~ INDIVIDUAL meets one of the following conditions:

(a) Such ~~person~~ INDIVIDUAL has applied to ~~an insurer~~ A CARRIER for A health ~~insurance~~ BENEFIT PLAN and:

(I) Such application has been rejected or refused because of the health or medical condition of the applicant; or

(II) Such application has been accepted, but at a premium rate exceeding the rate available through the plan; or

(III) Such application was accepted with a reduction or exclusion of coverage for a preexisting medical or health condition for a period exceeding six months.

(b) ~~(Deleted by amendment, L. 92, p. 1505, 6, effective April 16, 1992.)~~ SUCH INDIVIDUAL HAS A HISTORY OF ANY MEDICAL OR HEALTH CONDITION THAT IS ON THE LIST, IF ANY, ADOPTED BY THE BOARD PURSUANT TO SECTION 10-8-506 (1) (g.5).

(c) Such ~~person~~ INDIVIDUAL has had A health ~~insurance coverage~~ BENEFIT PLAN involuntarily terminated by ~~an insurer~~ A CARRIER in this state for any reason other than nonpayment of a premium or premiums.

(2) The following ~~persons~~ INDIVIDUALS shall not be eligible for coverage under the plan:

(a) Those who ~~at the time of application~~ are eligible for health care ~~benefits~~ SERVICES under the "Colorado Medical Assistance Act", article 4 of title 26, C.R.S.;

(a.5) THOSE WHO FAIL TO PAY ANY PLAN PREMIUM WHEN DUE;

(e) Those who are eligible for any other ~~program~~ HEALTH BENEFIT PLAN, including any public program, that provides ~~payment~~ COVERAGE for health care services, except as provided in subparagraphs (II) and (III) of paragraph (a) of subsection (1) of this section;

(f) Those who owe any tax when due under the provisions of the "Colorado Income Tax Act of 1987", article 22 of title 39, C.R.S. FOR THE PURPOSES OF THIS PARAGRAPH (f), THE BOARD MAY OBTAIN INFORMATION REGARDING AN ELIGIBLE INDIVIDUAL OR INSURED'S INCOME TAX STATUS FROM THE DEPARTMENT OF REVENUE.

(3) Dependents of ~~persons insured under an insurance plan pursuant to this part 5~~ shall also be eligible for insurance under such INSUREDS SHALL ALSO BE ELIGIBLE FOR COVERAGE UNDER THE plan, if such dependents meet one or more of the criteria set forth in subsection (1) of this section.

SECTION 10. 10-8-514 (1), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-514. Deductibles - coinsurance. (1) Any ~~participant~~ INSURED may select coverage from a choice of deductibles offered by the board. Such choice shall include deductibles of not less than three hundred dollars nor more than two thousand dollars.

SECTION 11. 10-8-515, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-515. Maximum benefit. The maximum lifetime benefit per ~~person~~ INSURED is five hundred thousand dollars as provided in section 10-8-525.

SECTION 12. 10-8-516 (2), Colorado Revised Statutes, 1994 Repl. Vol., is RECREATED AND REENACTED, WITH AMENDMENTS, to read:

10-8-516. Preexisting conditions. (2) THE PLAN SHALL GIVE CREDIT FOR THE PERIOD OF TIME AN ELIGIBLE INDIVIDUAL HAD QUALIFYING PREVIOUS COVERAGE FOR THE PREEXISTING CONDITION THAT WAS CONTINUOUS TO A DATE NOT MORE THAN NINETY DAYS PRIOR TO THE EFFECTIVE DATE OF COVERAGE.

SECTION 13. 10-8-518 (2), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-518. Nonduplication of benefits. (2) The plan shall have a cause of action against an insured for the recovery of the amount of any benefits paid which are not for ~~expenses~~ HEALTH CARE SERVICES covered under the plan. Future benefits due under the plan may be reduced or ~~refused~~ DENIED as a setoff against any amount recoverable under this subsection (2).

SECTION 14. 10-8-519 (1), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-519. Provisions of policies. (1) A ~~health insurance~~ policy offered under this part 5 shall provide that the plan is obligated to renew the ~~contract for such coverage~~ POLICY until the first day on which the individual in whose name the ~~contract~~ POLICY

is issued first becomes eligible for medicare coverage, except as otherwise provided in this part 5. THE PLAN IS NOT OBLIGATED TO RENEW THE POLICY OF ANY INDIVIDUAL THAT FAILS TO PAY ANY PLAN PREMIUM WHEN DUE.

SECTION 15. 10-8-521, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-521. Notice to residents. If any ~~person~~ INDIVIDUAL who is a resident of this state applies to ~~an insurer~~ A CARRIER for A health ~~insurance~~ BENEFIT PLAN and the ~~insurer~~ CARRIER responds to such application as described in section 10-8-513 (1) (a), the ~~insurer~~ CARRIER shall give the ~~person~~ INDIVIDUAL written notice that ~~he~~ THE INDIVIDUAL may be eligible for coverage under the plan, including information about available benefits, ~~and~~ exclusions, AND PREMIUM SUBSIDIES, and the name, address, and telephone number of the plan.

SECTION 16. 10-8-525, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-525. Benefits - availability - maximum coverage. Every eligible ~~person~~ INDIVIDUAL may purchase from the plan a policy which extends coverage for major medical expenses. Such policies shall be renewable annually, except as otherwise provided in this part 5. Any such policy shall pay ~~the insured's covered expenses as defined in~~ FOR THE HEALTH CARE SERVICES THAT ARE COVERED UNDER this part 5, subject to ~~limits on~~ the deductible and coinsurance payments AND OTHER COST CONTAINMENT CONTROLS authorized under this part 5 and subject to a lifetime limit of five hundred thousand dollars per insured individual.

SECTION 17. 10-8-526, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-526. Policies - expenses covered. Policies issued pursuant to this part 5 shall cover expenses incurred for HEALTH CARE services or articles or items related thereto which are medically necessary, SUBJECT TO THE COST CONTAINMENT CONTROLS AUTHORIZED BY THIS PART 5; except that such coverage shall not extend to costs for such services or articles over and above the reasonable and customary charge in the locality and shall not extend to services or articles which are not prescribed by a physician who is licensed to practice in the state or jurisdiction where such services or articles are provided. Such services shall include but not be limited to ~~intercurrent~~ care for acute illnesses and ongoing care for the treatment of the insured's uninsurable condition. Coverage shall be at least comparable to that issued on a group basis in the market.

SECTION 18. 10-8-527 (1) (k), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-527. Policies - expenses excluded. (1) Policies issued pursuant to this part 5 shall not cover expenses incurred for:

(k) Experimental services or supplies; ~~For purposes of this paragraph (k), "experimental" means that a service or supply is not recognized by the appropriate medical board as the normal mode of treatment for the illness or injury involved.~~

SECTION 19. 10-8-528, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-528. Other policies not excluded. Nothing in this part 5 shall be construed to prohibit the plan from issuing additional ~~health insurance policies~~ HEALTH BENEFIT PLANS with provisions other than those provided in this part 5 which, in the opinion of the board, may be of benefit to the citizens of the state.

SECTION 20. 10-8-530, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-8-530. Funding of plan. (1) The plan shall be funded by the ~~premiums collected pursuant to section 10-8-512, by the payments collected for income tax years up to and including the 1992 income tax year pursuant to section 39-22-117, C.R.S., as said section existed prior to July 1, 1993, and by~~ FOLLOWING:

(a) Moneys credited pursuant to ~~section~~ SECTIONS 38-13-116 (3) (b) (I) AND 38-13-116 (4), C.R.S.; ~~Premiums shall be collected by the administering carrier pursuant to section 10-8-509 and shall be paid to the plan. All such moneys credited pursuant to section 39-22-117, C.R.S., as said section existed prior to July 1, 1993, and section 38-13-116 (4), C.R.S., shall be transmitted to the state treasurer, who shall credit the same to the Colorado uninsurable health insurance plan cash fund, which fund is hereby created.~~

(b) PREMIUMS CHARGED PURSUANT TO SECTION 10-8-512;

(c) MONEYS REMAINING IN THE COLORADO UNINSURABLE HEALTH INSURANCE PLAN CASH FUND, CREATED PURSUANT TO THIS SECTION, AS IT EXISTED PRIOR TO JULY 1, 1997.

(2) FUNDS COLLECTED PURSUANT TO PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE COLORADO UNINSURABLE HEALTH INSURANCE PLAN CASH FUND, WHICH FUND IS HEREBY CREATED IN THE STATE TREASURY. The moneys in the fund are hereby subject to annual appropriation by the general assembly for the purposes of this part 5, INCLUDING PAYMENT OF ADMINISTRATIVE EXPENSES, FUNDING OF THE LOSSES OF THE PLAN, AND MAINTENANCE OF SUCH RESERVES AS MAY BE REQUIRED BY THE COMMISSIONER. ALL MONEYS, INCLUDING INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF MONEYS IN THE COLORADO UNINSURABLE HEALTH INSURANCE PLAN CASH FUND SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OF THE STATE AT THE END OF ANY FISCAL YEAR.

(3) ~~If moneys in the fund exceed the net premium required for any calendar year, the excess shall be held at interest and used to offset future losses or to reduce plan premiums or tax payments for the subsequent year. As used in this subsection (3), "future losses" includes reserves for incurred but unreported claims.~~ PREMIUMS SHALL BE COLLECTED BY THE ADMINISTERING CARRIER IN ACCORDANCE WITH SECTION 10-8-509 (1) (g), WITH ALL PREMIUMS COLLECTED USED TO PAY THE ADMINISTRATIVE EXPENSES AND THE LOSSES OF THE PLAN. ANY FUNDS THAT ARE NOT IMMEDIATELY NEEDED TO PAY ADMINISTRATIVE EXPENSES SHALL BE INVESTED AS DETERMINED BY THE BOARD.

SECTION 21. 24-36-114 (2), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

24-36-114. How interest earnings credited - management fee. (2) (h) THE PROVISIONS OF THIS SUBSECTION (2) SHALL NOT APPLY TO THE COLORADO UNINSURABLE HEALTH INSURANCE PLAN CASH FUND.

SECTION 22. 38-13-116 (3) (b) (I), (4) (b), and (4) (c), Colorado Revised Statutes, 1982 Repl. Vol., as amended, are amended to read:

38-13-116. Creation of funds. (3) (b) (I) When the special fund for industrial bank moneys is to be terminated pursuant to section 11-22-614 (5), C.R.S., any moneys remaining in such fund which are attributable to moneys collected by the administrator under this article shall be credited to the Colorado uninsurable health insurance plan cash fund created under section 10-8-530 (†) (2), C.R.S., and any moneys thereafter collected by the administrator under this article as a result of amounts due and payable by insurance companies under the terms of insurance policies NOT NEEDED FOR THE PAYMENT OF CLAIMS UNDER THIS ARTICLE shall be credited to the Colorado uninsurable health insurance plan cash fund created under section 10-8-530 (†) (2), C.R.S.

(4) (b) Each year after November 1, but no later than December 30, the administrator shall credit up to two million five hundred thousand dollars from the business associations unclaimed moneys fund to the Colorado uninsurable health insurance plan cash fund created in section 10-8-530 (†) (2), C.R.S. If in any year the administrator determines that additional moneys are required to pay claims, the administrator shall reduce the amount credited to the Colorado uninsurable health insurance plan cash fund for such year in order to pay such claims. Before crediting any moneys pursuant to this paragraph (b), the administrator shall record the name and last-known address of each person appearing from the holders' reports to be entitled to the property. The record shall be available for public inspection at all reasonable business hours.

(c) ~~This subsection (4) is repealed, effective July 1, 1997.~~

SECTION 23. Effective date. This act shall take effect July 1, 1997.

SECTION 24. 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: May 1, 1997