

CHAPTER 46

INSURANCE

HOUSE BILL 02-1158

BY REPRESENTATIVE(S) Crane, King, Lee, Schultheis, Snook, Williams S., Stafford, and Stengel;
also SENATOR(S) McElhany.

AN ACT

CONCERNING THE RIGHT OF THE LIFE AND HEALTH INSURANCE PROTECTION ASSOCIATION TO ELECT TO SUCCEED TO THE REINSURANCE CONTRACTS OF AN INSOLVENT MEMBER INSURER.

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

SECTION 1. 10-20-108 (13) (h), Colorado Revised Statutes, is amended to read:

10-20-108. Powers and duties of the association. (13) The association may:

(h) With respect to covered policies for which the association becomes obligated after an entry of an order of liquidation, the association may elect to succeed to the rights of an insolvent insurer arising after the date of the order of liquidation under any contract of reinsurance to which the insolvent insurer was a party, to the extent that such contract provides coverage for losses occurring after the date of the order of liquidation. As a condition to making this election, the association shall pay UNPAID premiums DUE WITH RESPECT TO POLICIES COVERED BY THE ASSOCIATION for coverage relating to periods BOTH BEFORE AND after the date of the order of liquidation.

SECTION 2. Effective date - applicability. This act shall take effect upon passage, and shall apply to elections made by the life and health insurance protection association pursuant to section 10-20-108 (13) (h), Colorado Revised Statutes, 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: March 26, 2002

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