

CHAPTER 227

INSURANCE

SENATE BILL 05-168

BY SENATOR(S) Hagedorn, Bacon, Hanna, Keller, Kester, Sandoval, Shaffer, Spence, Tapia, Taylor, Teck, Tochtrop, Tupa, Veiga, Wiens, Williams, and Windels;
also REPRESENTATIVE(S) Boyd, Butcher, Coleman, McFadyen, and Todd.

AN ACT**CONCERNING HEALTH BENEFIT COVERAGE TO A PUBLIC ENTITY.**

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

SECTION 1. Part 1 of article 16 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-16-130. Disclosure of rate increases to public entities - legislative declaration - definitions. (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT VARIABILITY IN PREMIUMS BY CARRIERS OFFERING HEALTH BENEFIT COVERAGE TO A PUBLIC ENTITY PRESENT DIFFICULTIES FOR FISCAL PLANNING FOR THE PUBLIC ENTITY. THEREFORE, IT IS IN THE BEST INTEREST OF THE STATE TO PROMOTE GREATER ACCOUNTABILITY TO THE PUBLIC AND SOUND FISCAL POLICY BY PUBLIC ENTITIES THROUGH DISCLOSURE BY HEALTH INSURANCE CARRIERS OF INFORMATION CONCERNING THE PUBLIC ENTITY'S RATE, LOSS RATIO, AND THE TOTAL NUMBER OF CLAIMS EXCEEDING TEN THOUSAND DOLLARS FOR THE PUBLIC ENTITY.

(2) A CARRIER AUTHORIZED TO CONDUCT BUSINESS IN THIS STATE THAT OFFERS COVERAGE PURSUANT TO PART 2, 3, OR 4 OF THIS ARTICLE TO A PUBLIC ENTITY, WITH ONE HUNDRED OR MORE EMPLOYEES ENROLLED IN SUCH COVERAGE, SHALL DISCLOSE TO THE PUBLIC ENTITY, AT THE REQUEST OF THE PUBLIC ENTITY, ONCE ANNUALLY AND CONCURRENT WITH THE ISSUANCE OF THE EMPLOYER'S RATE RENEWAL, THE FOLLOWING INFORMATION AS IT RELATES TO THE AMOUNTS OF COVERAGE BEING CONSIDERED FOR CALCULATING THE RENEWAL:

(a) THE TOTAL NUMBER OF EMPLOYEES COVERED BY THE CARRIER FOR THE PUBLIC ENTITY;

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

(b) THE TOTAL DOLLAR AMOUNT OF CLAIMS PAID BY THE CARRIER ON BEHALF OF THE PUBLIC ENTITY;

(c) TOTAL OF PREMIUMS PAID; AND

(d) THE NUMBER OF CLAIMS THAT EXCEED TEN THOUSAND DOLLARS FOR ANY ONE COVERED PERSON UNDER HEALTH BENEFIT COVERAGE FOR THE PUBLIC ENTITY.

(3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "LOSS RATIO" MEANS THE TOTAL CLAIMS PAID FOR THE COVERAGE PERIOD DIVIDED BY THE TOTAL AMOUNT OF PREMIUMS PAID BY A PUBLIC ENTITY.

(b) "PUBLIC ENTITY" SHALL HAVE THE SAME MEANING AS THAT PROVIDED IN SECTION 24-10-103 (5), C.R.S.

SECTION 2. Effective date. This act shall take effect January 1, 2006, and shall apply to contracts issued 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: June 1, 2005