

CHAPTER 303

INSURANCE

HOUSE BILL 06-1330

BY REPRESENTATIVE(S) Romanoff, Stengel, Benefield, Borodkin, Butcher, Carroll M., Carroll T., Coleman, Gallegos, Jahn, Madden, Marshall, McGihon, Merrifield, and Stafford;
also SENATOR(S) Fitz-Gerald, Mitchell, Boyd, Gordon, Shaffer, and Tochtrop.

AN ACT

CONCERNING INFORMATION FILED WITH THE DIVISION OF INSURANCE BY SPECIFIED TYPES OF INSURERS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 10-3-208, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

10-3-208. Financial statements. (8) (a) AS PART OF THE FINANCIAL STATEMENT REQUIRED IN SUBSECTION (1) OF THIS SECTION, EACH PROPERTY AND CASUALTY INSURER REGULATED UNDER ARTICLE 4 OF THIS TITLE SHALL SUBMIT TO THE COMMISSIONER THE INFORMATION REQUIRED IN SCHEDULE P OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC) ANNUAL STATEMENT FILED WITH THE COMMISSIONER. THE INFORMATION SHALL BE PROVIDED FOR COLORADO BUSINESS ONLY FOR THE FOLLOWING LINES OF INSURANCE AND SHALL INCLUDE ALL INFORMATION REQUIRED TO FULLY COMPLETE EACH COLUMN OF EACH APPLICABLE PART OF SCHEDULE P OF THE CONVENTION BLANK FOR THE ANNUAL STATEMENT ADOPTED BY THE NAIC:

- (I) PRIVATE PASSENGER AUTOMOBILE TOTAL;
- (II) COMMERCIAL AUTOMOBILE TOTAL;
- (III) HOMEOWNERS MULTIPLE PERIL;
- (IV) FARMOWNERS MULTIPLE PERIL;
- (V) COMMERCIAL MULTIPLE PERIL;

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

(VI) MEDICAL MALPRACTICE; AND

(VII) OTHER LIABILITY.

(b) FOR PURPOSES OF COMPLYING WITH THE REQUIREMENTS OF THIS SUBSECTION (8), A PROPERTY AND CASUALTY INSURER SHALL NOT BE REQUIRED TO REPORT INFORMATION FOR CALENDAR YEARS COMMENCING PRIOR TO JANUARY 1, 2002.

SECTION 2. 10-4-403 (2) (b) and (2.1) (b), Colorado Revised Statutes, are amended to read:

10-4-403. Standards for rates - competition - procedure - requirement for independent actuarial opinions regarding 1991 legislation. (2) (b) In setting rates, insurers shall consider past and prospective loss experience and catastrophic hazards, if any, solely within the state of Colorado. However, if there is insufficient experience within Colorado upon which a rate can be based, the insurer may consider experiences within any other state or states which have a similar cost of claim and frequency of claim experience as the state of Colorado; and, if insufficient experience is available, the insurer may use a countrywide experience. The insurer, in its rate filing or in its records, shall expressly ~~show~~ STATE AND DESCRIBE what rate experience it is using, AND FOR COLORADO BUSINESS OTHER THAN WORKERS' COMPENSATION INSURANCE, THE INSURER SHALL SPECIFY THE STATE OR STATES FROM WHICH EXPERIENCES WERE DRAWN AND THE CONSIDERATIONS USED IN SETTING THE RATES. In considering experience outside the state of Colorado, as much weight as possible shall be given to the Colorado experience. The rates shall allow a reasonable margin for profit, ~~and contingencies, profit being~~ as allowed in subparagraph (III) of paragraph (a) of this subsection (2), AND CONTINGENCIES.

(2.1) (b) In setting rates, medical malpractice insurers shall consider past and prospective loss experience and catastrophic hazards, if any, solely within the state of Colorado. However, if there is insufficient experience within Colorado upon which a rate can be based, the insurer may consider experiences within any other state or states which have a similar cost of claim and frequency of claim experience as the state of Colorado; and, if insufficient experience is available, the insurer may use a nationwide experience. The insurer, in its rate filing or in its records, shall expressly ~~show~~ STATE AND DESCRIBE what rate experience it is using, SPECIFYING THE STATE OR STATES FROM WHICH EXPERIENCES WERE DRAWN AND THE CONSIDERATIONS USED IN SETTING THE RATES. In considering experience outside the state of Colorado, as much weight as possible shall be given to the Colorado experience. The rates shall allow a reasonable margin for profit and contingencies, including dividends, savings, or unearned premium deposits allowed or returned by insurers to their policyholders, members, or subscribers. In determining profits, the insurer shall consider investment income from unearned premium reserves and reserves for incurred losses and incurred but not reported losses.

SECTION 3. Appropriation. In addition to any other appropriation, there is hereby appropriated, out of any moneys in the division of insurance cash fund created in section 10-1-103 (3), Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, for allocation to the division of insurance, for the fiscal year beginning July 1, 2006, the sum of five thousand

two hundred forty-three dollars (\$5,243), or so much thereof as may be necessary, for the implementation of this act.

SECTION 4. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution (August 9, 2006, if adjournment sine die is on May 10, 2006); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: June 1, 2006