

## CHAPTER 130

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**INSURANCE**


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**HOUSE BILL 10-1227**

BY REPRESENTATIVE(S) DelGrosso, Labuda, Nikkel, Stephens, Summers;  
also SENATOR(S) Tochtrop.

**AN ACT**

**CONCERNING COMPLIANCE WITH FINANCIAL RESPONSIBILITY REQUIREMENTS OF THE "HEALTH CARE AVAILABILITY ACT" BY MAINTAINING INSURANCE THROUGH APPROVED NONADMITTED INSURERS AUTHORIZED BY LAW TO INSURE IN COLORADO.**

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

**SECTION 1.** 13-64-301 (1) (a) and (1) (b), Colorado Revised Statutes, are amended to read:

**13-64-301. Financial responsibility.** (1) Every physician or dentist, and every health care institution as defined in section 13-64-202, except as provided in section 13-64-303.5, which provide health care services shall establish financial responsibility, as follows:

(a) If a physician or dentist, by maintaining, ~~no later than January 1, 1990,~~ as a condition of active licensure or authority to practice in this state, commercial professional liability insurance coverage with an insurance company authorized to do business in this state OR AN APPROVED NONADMITTED INSURER ALLOWED TO INSURE IN COLORADO PURSUANT TO ARTICLE 5 OF TITLE 10, C.R.S., in a minimum indemnity amount of five hundred thousand dollars per incident and one million five hundred thousand dollars annual aggregate per year; except that this requirement is not applicable to a health care professional who is a public employee under the "Colorado Governmental Immunity Act". The board of medical examiners and the board of dental examiners may by rule exempt from or establish lesser financial responsibility standards than those prescribed in this section for classes of license holders who perform medical or dental services as employees of the United States government; who render limited or occasional medical or dental services; who perform less than full-time active medical or dental services because of administrative or other nonclinical duties or partial or complete retirement; or who

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

provide uncompensated health care to patients but do not otherwise provide any compensated health care to patients; or for other reasons that render the limits provided in this paragraph (a) unreasonable or unattainable, but nothing in this paragraph (a) shall preclude or otherwise prohibit a licensed physician or dentist from rendering appropriate patient care on an occasional basis when the circumstances surrounding the need for care so warrant.

(b) If a health care institution, by maintaining, as a condition of licensure, certification, or other authority to render health care services in this state, commercial professional liability insurance coverage with an insurance company authorized to do business in this state OR AN APPROVED NONADMITTED INSURER ALLOWED TO INSURE IN COLORADO PURSUANT TO ARTICLE 5 OF TITLE 10, C.R.S., in a minimum indemnity amount of five hundred thousand dollars per incident and three million dollars annual aggregate per year; except that this requirement is not applicable to a certified health care institution ~~which~~ THAT is a public entity under the "Colorado Governmental Immunity Act". IN THE EVENT A HEALTH CARE INSTITUTION DOES NOT HAVE A COMMERCIAL PROFESSIONAL LIABILITY INSURANCE POLICY IN COMPLIANCE WITH THIS PARAGRAPH (b), OR THE LIMITS OF PROFESSIONAL LIABILITY INSURANCE COVERAGE ARE IN EXCESS OF ANY SELF-INSURED RETENTION AMOUNT, OR THERE IS A DEDUCTIBLE OTHER THAN ZERO DOLLARS, THE HEALTH CARE INSTITUTION SHALL PROCURE EVIDENCE THAT THE COMMISSIONER OF INSURANCE HAS ACCEPTED AND APPROVED AN ALTERNATIVE FORM OF ESTABLISHING FINANCIAL RESPONSIBILITY IN COMPLIANCE WITH PARAGRAPH (c), (d), OR (e) OF THIS SUBSECTION (1), IN ACCORDANCE WITH APPLICABLE RULES PROMULGATED BY THE DIVISION OF INSURANCE. THE HEALTH CARE INSTITUTION SHALL FURNISH EVIDENCE OF ALTERNATIVE FINANCIAL RESPONSIBILITY COMPLIANCE TO THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AS PART OF THE HEALTH CARE INSTITUTION'S APPLICATION FOR AN INITIAL OR RENEWAL LICENSE, CERTIFICATION, OR OTHER AUTHORITY.

**SECTION 2.** 13-64-301 (1) (a.5) (I), Colorado Revised Statutes, as enacted by House Bill 10-1260, is amended to read:

**13-64-301. Financial responsibility.** (1) As a condition of active licensure or authority to practice in this state, every physician or dentist, and every health care institution as defined in section 13-64-202, except as provided in section 13-64-303.5, that provides health care services shall establish financial responsibility, as follows:

(a.5) (I) If a physician, by maintaining commercial professional liability insurance coverage with an insurance company authorized to do business in this state OR AN APPROVED NONADMITTED INSURER ALLOWED TO INSURE IN COLORADO PURSUANT TO ARTICLE 5 OF TITLE 10, C.R.S., in a minimum indemnity amount of one million dollars per incident and three million dollars annual aggregate per year; except that this requirement is not applicable to a physician who is a public employee under the "Colorado Governmental Immunity Act", article 10 of title 24, C.R.S.

**SECTION 3. Specified effective date.** This act shall take effect upon passage; except that section 2 of this act shall take effect July 1, 2010, only if House Bill 10-1260 is enacted at the Second Regular Session of the Sixty-seventh General Assembly and becomes law.

**SECTION 4. 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 15, 2010