

**Second Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 06-0519.01 Esther van Mourik

**SENATE BILL 06-038**

---

**SENATE SPONSORSHIP**

**Tapia,**

**HOUSE SPONSORSHIP**

**Knoedler,**

---

**Senate Committees**  
Business, Labor and Technology  
Appropriations

**House Committees**

---

**A BILL FOR AN ACT**

101     **CONCERNING INVESTIGATION OF INSURANCE FRAUD, AND MAKING AN**  
102     **APPROPRIATION.**

---

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Increases the amount of money the division of insurance shall collect from entities regulated by the division for the purpose of investigating and prosecuting allegations of insurance fraud.

---

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

1           **SECTION 1.** 10-3-207 (1) (e), Colorado Revised Statutes, is  
2 amended to read:

3           **10-3-207. Fees paid by insurance companies.** (1) There shall  
4 be paid to the division of insurance by every entity regulated by the  
5 division of insurance in this state the following:

6           (e) (I) For the purpose of providing adequate funds to the  
7 Colorado department of law for the investigation and prosecution of  
8 allegations of insurance fraud, in addition to any other fee collected  
9 pursuant to this subsection (1), each entity regulated by the division shall  
10 pay a nonrefundable annual fee of ~~one hundred twenty~~ FOUR HUNDRED  
11 TWENTY-FIVE dollars, payable on or before March 1 of each year.

12           (II) COMMENCING JANUARY 1, 2007, THE ATTORNEY GENERAL  
13 SHALL PROVIDE ANNUAL REPORTS TO THE JOINT BUDGET COMMITTEE AND  
14 SHALL POST ON THE ATTORNEY GENERAL'S WEBSITE A STATISTICAL  
15 REPORT OF THE NUMBER OF REFERRALS, CONVICTIONS, ARRESTS, ACTIONS  
16 INITIATED AND RESTITUTIONS, FINES, COSTS, AND FORFEITURES OBTAINED  
17 FROM THE INVESTIGATION AND PROSECUTION OF INSURANCE FRAUD AS  
18 PROVIDED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (e).

19           **SECTION 2. Appropriation.** (1) In addition to any other  
20 appropriation, there is hereby appropriated, out of any moneys in the  
21 division of insurance cash fund, created in section 10-1-103 (3), Colorado  
22 Revised Statutes, to the department of regulatory agencies, division of  
23 insurance, for insurance fraud prosecution, for the fiscal year beginning  
24 July 1, 2006, the sum of three hundred fifty-six thousand nine hundred  
25 seventy-four dollars (\$356,974), or so much thereof as may be necessary,  
26 for the implementation of this act.

27           (2) In addition to any other appropriation, there is hereby

1 appropriated, to the department of law, for allocation to the insurance  
2 fraud unit, for the fiscal year beginning July 1, 2006, the sum of three  
3 hundred fifty-six thousand nine hundred seventy-four dollars (\$356,974)  
4 and 5.0 FTE, or so much thereof as may be necessary, for the  
5 implementation of this act. Said sum shall be from cash funds exempt  
6 received from the department of regulatory agencies out of the  
7 appropriation made in subsection (1) of this section.

8           **SECTION 3. Applicability.** This act shall apply to annual fees  
9 paid pursuant to section 10-3-207 (1) (e), Colorado Revised Statutes, on  
10 or after the effective date of this act.

11           **SECTION 4. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.