

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

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

Business Affairs and Labor
Appropriations

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.*

HOUSE
Amended 2nd Reading
April 28, 2006

SENATE
3rd Reading Unamended
March 7, 2006

SENATE
Amended 2nd Reading
March 6, 2006

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, THE
14 SENATE BUSINESS, LABOR AND TECHNOLOGY COMMITTEE, AND THE HOUSE
15 BUSINESS AFFAIRS AND LABOR COMMITTEE, OR ANY SUCH SUCCESSOR
16 COMMITTEES, AND SHALL POST ON THE ATTORNEY GENERAL'S WEBSITE A
17 STATISTICAL REPORT OF THE NUMBER OF REFERRALS, CONVICTIONS,
18 ARRESTS, ACTIONS INITIATED AND RESTITUTIONS, FINES, COSTS, AND
19 FORFEITURES OBTAINED FROM THE INVESTIGATION AND PROSECUTION OF
20 INSURANCE FRAUD AS PROVIDED IN SUBPARAGRAPH (I) OF THIS
21 PARAGRAPH (e).

22 **SECTION 2. Appropriation.** (1) In addition to any other
23 appropriation, there is hereby appropriated, out of any moneys in the
24 division of insurance cash fund, created in section 10-1-103 (3), Colorado
25 Revised Statutes, to the department of regulatory agencies, division of
26 insurance, for insurance fraud prosecution, for the fiscal year beginning
27 July 1, 2006, the sum of three hundred seventy-nine thousand nine

1 hundred fifty dollars (\$379,950), or so much thereof as may be necessary,
2 for the implementation of this act.

3 (2) In addition to any other appropriation, there is hereby
4 appropriated, to the department of law, for allocation to the insurance
5 fraud unit, for the fiscal year beginning July 1, 2006, the sum of three
6 hundred seventy-nine thousand nine hundred fifty dollars (\$379,950) and
7 5.0 FTE, or so much thereof as may be necessary, for the implementation
8 of this act. Said sum shall be from cash funds exempt received from the
9 department of regulatory agencies out of the appropriation made in
10 subsection (1) of this section.

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

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