



Colorado Legislative Council Staff
FINAL
NO FISCAL IMPACT
(Replaces fiscal impact dated January 25, 2006)

Drafting Number: LLS 06-0541**Date:** June 9, 2006**Prime Sponsor(s):** Rep. Hall
Sen. Grossman**Bill Status:** Signed into Law**Fiscal Analyst:** Amy Larsen (303-866-3488)

TITLE: CONCERNING THE AUTHORIZATION OF AFFILIATED BUSINESS ARRANGEMENTS RELATING TO TITLE INSURANCE.

Summary of Assessment

This bill permits affiliated business arrangements between title insurance companies, title insurance agents, settlement producers and real estate brokers so long as the only form of compensation is a return on an investment and it does not violate existing prohibitions. The bill includes the following provisions:

- title companies, insurance agents and real estate agents are required to disclose affiliations to consumers and may not require the use of an affiliated business;
- title insurance companies, insurance agents and real estate agents are required to disclose the names of all affiliated business arrangements to the Department of Regulatory Agencies as part of licensure;
- the Insurance Commissioner or the Real Estate Commission may assess penalties for violations; and
- information gathered during investigations of affiliated business arrangements may be shared between the Division of Insurance and the Division of Real Estate.

The Department of Regulatory Agencies, Division of Insurance and Division of Real Estate, is expected to promulgate rules to implement this bill. However, since the bill includes specific definitions, existing regulations would simply need amending. This activity should not significantly increase workload. In addition, the department currently has statutory responsibilities to investigate and assess fines for illegal activity related to title entities. Thus, this bill is assessed as no fiscal impact.

The Governor signed the bill into law on March 31, 2006, and it is effective July 1, 2006.

Departments Contacted

Regulatory Agencies