

Colorado Legislative Council Staff Fiscal Note
NO FISCAL IMPACT

Drafting Number: LLS 07-0991	Date: April 20, 2007
Prime Sponsor(s): Sen. Shaffer Rep. Madden	Bill Status: Senate Judiciary
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TITLE: CONCERNING THE PAYMENT OF UNINSURED MOTOR VEHICLE INSURANCE AS EXCESS TO OTHER INSURANCE.

Summary of Assessment

Under current law, an automobile owner may purchase uninsured/underinsured motorist (UI/UM) coverage as part of an automobile insurance policy. UI/UM coverage provides first-party medical benefits for injuries sustained in an automobile accident caused by an uninsured or underinsured driver. UI/UM insurance replaces the bodily injury liability coverage of the at-fault driver.

The bill requires that instead of replacing bodily injury liability coverage, UI/UM insurance provides coverage in addition to the at-fault driver's bodily injury liability coverage. UI/UM coverage will also be in addition to medical payments coverage and health insurance and cannot be used to offset any other health care benefits. The bill is effective January 1, 2008. For reasons discussed below, the bill is assessed as having no fiscal impact.

All Departments. The Department of Personnel and Administration, Office of Risk Management, handles all automobile accident claims involving the state vehicle fleet. Under the Colorado Risk Management Act, the state and state employees driving state-owned automobiles are exempt from automobile insurance laws. Instead, if an automobile accident results in injury and occurs during the scope of employment, workers' compensation pays medical benefits for injured employees. Consequently, the bill will not effect state departments.

Regulatory Agencies, Division of Insurance (DOI). The DOI regulates automobile insurance carriers and processes complaints related to insurance coverage. Currently, the DOI receives very few complaints or questions related to UI/UM insurance coverage. Since the bill will simply expand UI/UM coverage in some accidents, an increase in complaints is not anticipated.

Health Care Policy and Financing (DHCPF). The DHCPF administers the state Medicaid and Children's Basic Health Plan programs. By increasing insurance benefits for some automobile accident victims, the bill may result in minimal, but negligible savings for these programs.

Judicial Branch. The bill may result in an increase in civil court caseload for the Judicial Branch for accident victims who are denied additional benefits under an automobile insurance policy that includes UI/UM coverage. However, any caseload increase will be minimal and can be absorbed within existing Judicial Branch resources.

Departments Contacted

Regulatory Agencies
Judicial

Health Care Policy and Financing
Personnel and Administration

Law