

Colorado Legislative Council Staff Fiscal Note
STATUTORY PUBLIC ENTITY
FISCAL IMPACT

Drafting Number: LLS 10-0481
Prime Sponsor(s): Sen. Sandoval
 Rep. Benefield

Date: January 18, 2010
Bill Status: Senate Health and Human Services
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE LIABILITY LIMITS APPLICABLE TO THE LIFE AND HEALTH INSURANCE PROTECTION ASSOCIATION, AND, IN CONNECTION THEREWITH, INCREASING THE LIABILITY LIMITS FOR ANNUITY BENEFITS, STRUCTURED SETTLEMENT ANNUITIES, AND LONG-TERM CARE BENEFITS.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed. It applies to insolvencies on or after the effective date.		
Appropriation Summary for FY 2010-2011:		
Local Government Impact: None.		

Summary of Legislation

This bill increases the benefit liability limits the Colorado Life and Health Insurance Protection Association (LHIPA) can pay to an eligible person whose insurer, an association member, becomes insolvent and unable to pay benefits. The limits for annuities and structured settlement annuities are increased from \$100,000 to \$250,000; long term care benefits are increased from \$100,000 to \$300,000. The LHIPA's aggregate liability limits per person are unchanged.

Background

The LHIPA is a statutory organization made up of about 1,000 member companies from the life and health insurance industry that are licensed to sell annuities, life, or health insurance products in Colorado. The LHIPA charges annual fees to its members and can assess members following a member insolvency.

Statutory Public Entity Impact

SB10-049 increases the amount of benefits that the LHIPA can pay. The amount of the increase depends on the size and number of insolvencies that occur on or after the effective date. The fiscal note assumes that the LHIPA will assess its member companies to address the increase.

Departments Contacted

Regulatory Agencies