



*Colorado Legislative Council Staff Fiscal Note*

**NO FISCAL IMPACT**

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**Drafting Number:** LLS 10-0406  
**Prime Sponsor(s):** Rep. Primavera

**Date:** March 4, 2010  
**Bill Status:** House Judiciary  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

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**TITLE:** CONCERNING THE FAIR SETTLEMENT OF CLAIMS FOR BENEFITS UNDER AN INSURANCE POLICY.

**Summary of Legislation**

Under current law a first-party claimant whose claims for benefits under an insurance policy have been delayed or denied without a reasonable basis can be awarded attorney fees, court costs, and double benefits. This bill extends these remedies to third-party claimants whose claims for medical benefits, or requests for authorization for medical services against an insured under a liability policy, are denied or delayed unreasonably.

For first- and third-party claims, unreasonableness is presumed when an insurer denies or delays the payment of a claim based on a decision made by a person not licensed in good standing in Colorado or in active clinical practice in the same specialty as the claim or requested medical service.

The bill is effective August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.

**Assessment**

This bill is assessed at no fiscal impact. The Division of Insurance, in the Department of Regulatory Agencies, will amend their regulations within their existing resources, but no other agency will see a change in workload, so no fiscal impact is identified.

**Departments Contacted**

Regulatory Agencies  
Personnel and Administration  
Judicial

Health Care Policy and Financing  
Law