



Colorado Legislative Council Staff Fiscal Note

NO FISCAL IMPACT

Drafting Number: LLS 10-0386

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Prime Sponsor(s): Sen. Carroll M.

Bill Status: Senate Health and Human Services

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TITLE: CONCERNING UNREASONABLE INSURANCE CLAIMS SETTLEMENT PRACTICES.

Summary of Legislation

This bill prohibits an insurance company from providing a financial incentive to a person to influence the person's decision to deny or delay a claim, or to cancel or rescind an insurance policy. An insurer's delay or denial is presumed unreasonable if the person who makes the decision to delay or deny payment of a claim for benefits receives a personal financial incentive to do so. In civil actions on claim denials, the court may instruct the jury that such financial incentives are prohibited.

Assessment

SB10-076 is assessed at no fiscal impact. A new cause of action in civil court is created but this is not expected to generate many new cases. For cases where the plaintiff is attempting to determine whether a financial incentive was involved, additional time for discovery is anticipated, but this will occur primarily between the parties without the need for court intervention. As such, the impact to the Judicial Branch is seen as minimal and can be handled with existing resources.

Departments Contacted

Judicial

Regulatory Agencies