

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0481.01 Christy Chase

SENATE BILL 10-049

SENATE SPONSORSHIP

Sandoval, Bacon, Hudak, Steadman, Tochtrop

HOUSE SPONSORSHIP

Benfield, Frangas, Hullinghorst

Senate Committees

Health and Human Services

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE LIABILITY LIMITS APPLICABLE TO THE LIFE AND**
102 **HEALTH INSURANCE PROTECTION ASSOCIATION, AND, IN**
103 **CONNECTION THEREWITH, INCREASING THE LIABILITY LIMITS**
104 **FOR ANNUITY BENEFITS, STRUCTURED SETTLEMENT ANNUITIES,**
105 **AND LONG-TERM CARE BENEFITS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current law establishes the life and health insurance protection

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

association (association) to pay benefits to an eligible person whose insurer, who is a member of the association, becomes insolvent and cannot pay benefits. Under current law, with regard to annuities and structured settlement annuities, the benefits for which the association may become liable is capped at \$100,000 in the present value of annuity benefits. The current limit for health insurance benefits, which applies to long-term care benefits, is also \$100,000.

The bill increases the annuity and structured settlement annuity benefits limit to \$250,000 and increases the limit applicable to long-term care benefits to \$300,000.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 10-20-104 (3) (b) (I) (C), (3) (b) (I) (D), and (3) (b)
3 (II), Colorado Revised Statutes, are amended, and the said 10-20-104 (3)
4 (b) (I) is further amended BY THE ADDITION OF A NEW
5 SUB-SUBPARAGRAPH, to read:

6 **10-20-104. Coverage and limitations - coordination of benefits.**

7 (3) The benefits for which the association may become liable shall not
8 exceed the lesser of:

9 (b) (I) With respect to any one life, regardless of the number of
10 policies or contracts with that insurer:

11 (C) ~~One~~ TWO hundred FIFTY thousand dollars in the present value
12 of annuity benefits, including net cash surrender and net cash withdrawal
13 values; ~~or~~

14 (D) With respect to each payee of a structured settlement annuity,
15 ~~one~~ TWO hundred FIFTY thousand dollars in present value annuity
16 benefits, in the aggregate, including net cash surrender and net cash
17 withdrawal values; OR

18 (E) THREE HUNDRED THOUSAND DOLLARS FOR LONG-TERM CARE
19 BENEFITS.

20 (II) The association shall not be liable to expend more than three

1 hundred thousand dollars, in the aggregate, with respect to any one life
2 under sub-subparagraphs (A) to ~~(D)~~ (E) of subparagraph (I) of this
3 paragraph (b); except that, with respect to benefits for basic hospital,
4 medical and surgical, and major medical insurance under
5 sub-subparagraph (B) of subparagraph (I) of this paragraph (b), the
6 aggregate liability of the association shall not exceed five hundred
7 thousand dollars with respect to any one individual.

8 **SECTION 2. Applicability.** This act shall apply to coverages
9 and contracts of member insurers that are declared insolvent on or after
10 the effective date of this act.

11 **SECTION 3. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, and safety.