Second Regular Session Sixty-seventh General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction SENATE BILL 10-049

LLS NO. 10-0481.01 Christy Chase

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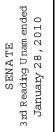
A BILL FOR AN ACT

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





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

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

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