

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 10-076

BY SENATOR(S) Carroll M., Boyd;
also REPRESENTATIVE(S) Primavera, Apuan, Fischer, Frangas,
Hullinghorst, Labuda, Levy, Merrifield, Pommer, Ryden, Solano, Todd.

CONCERNING UNREASONABLE INSURANCE CLAIMS SETTLEMENT PRACTICES.

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

SECTION 1. 10-3-1104 (1), Colorado Revised Statutes, is amended
BY THE ADDITION OF A NEW PARAGRAPH to read:

10-3-1104. Unfair methods of competition and unfair or deceptive acts or practices. (1) The following are defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

(hh) UNFAIR COMPENSATION PRACTICES: BASING THE COMPENSATION OF CLAIMS EMPLOYEES OR CONTRACTED CLAIMS PERSONNEL, INCLUDING COMPENSATION IN THE FORM OF PERFORMANCE BONUSES OR INCENTIVES, ON ANY OF THE FOLLOWING:

(I) THE NUMBER OF POLICIES CANCELED;

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(II) THE NUMBER OF TIMES COVERAGE IS DENIED;

(III) THE USE OF A QUOTA LIMITING OR RESTRICTING THE NUMBER OR VOLUME OF CLAIMS; OR

(IV) THE USE OF AN ARBITRARY QUOTA OR CAP LIMITING OR RESTRICTING THE AMOUNT OF CLAIMS PAYMENTS WITHOUT DUE CONSIDERATION OF THE MERITS OF THE CLAIM.

SECTION 2. 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.

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO