

Colorado Legislative Council Staff Fiscal Note

STATE
FISCAL IMPACT

Drafting Number: LLS 12-0686
Prime Sponsor(s): Rep. Nikkel
 Sen. Jahn

Date: February 10, 2012
Bill Status: House Economic & Business Development
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING COMPLAINTS TO THE DIVISION OF INSURANCE ON CERTAIN ADVERSE ACTIONS OF AUTO INSURERS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: None required.		
Local Government Impact: None.		

Summary of Legislation

Under current law, to dispute an adverse action of an auto insurance company, a policyholder must file a formal protest following specific deadlines, with the Commissioner of Insurance. If the commissioner finds the protest to have merit, he must hold a hearing within 45 days of receipt of the protest. This bill changes the formal protest process to a complaint process that is completed without a hearing. Adverse actions subject to this complaint process include nonrenewal or cancellation of a policy.

State Expenditures

The Division of Insurance in the Department of Regulatory Agencies is not expected to see a change in expenditures from this bill. There will be minimal increased workload initially to promulgate new rules to change from a formal protest process to a complaint process, which will be addressed within existing appropriations to the Department of Law. Rather than a hearing officer collecting evidence in a hearing, division staff will investigate and resolve complaints. Generally, the amount of workload will be the same for formal protests and complaints and can be addressed within existing resources.

Departments Contacted

Regulatory Agencies Law