

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 13-0891.02 Jerry Barry x4341

HOUSE BILL 13-1262

HOUSE SPONSORSHIP

Young, DelGrosso, Nordberg, Williams

SENATE SPONSORSHIP

Baumgardner, Cadman, Jahn, Tochtrop

House Committees

Business, Labor, Economic, & Workforce Development

Senate Committees

Business, Labor, & Technology

A BILL FOR AN ACT

101 **CONCERNING SECONDARY AGENCIES UNDER THE "FRAUDULENT**
102 **CLAIMS AND ARSON REPORTING ACT".**

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 requires insurers and authorizes other persons to report to an authorized agency when a fire may have been intentionally started or when a fire claim may be fraudulent. The bill allows a report to be made with a secondary agency designated by the commissioner of insurance and funded by insurers. The bill requires secondary agencies to

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.

SENATE
2nd Reading Unamended
May 7, 2013

HOUSE
3rd Reading Unamended
April 2, 2013

HOUSE
Amended 2nd Reading
April 1, 2013

hold information received confidential except as specifically permitted. The bill grants the same immunity currently given to authorized agencies to secondary agencies.

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

2 **SECTION 1.** In Colorado Revised Statutes, 10-4-1002, **add** (6)
3 as follows:

4 **10-4-1002. Definitions.** As used in this part 10, unless the
5 context otherwise requires:

6 (6) "SECONDARY AGENCY" MEANS ANY FOR-PROFIT OR NONPROFIT
7 ORGANIZATION FUNDED DIRECTLY OR INDIRECTLY BY INSURERS THAT
8 ENGAGES IN THE GATHERING AND DISSEMINATION OF INFORMATION
9 CONCERNING INSURANCE FRAUD AND THAT HAS AN ESTABLISHED PROCESS
10 IN PLACE TO AFFIRMATIVELY FORWARD INFORMATION TO AN AUTHORIZED
11 AGENCY FOR FURTHER INVESTIGATION AND PROSECUTION. THE
12 COMMISSIONER, BY RULE, SHALL DESIGNATE WHICH ORGANIZATIONS ARE
13 SECONDARY AGENCIES.

14 **SECTION 2.** In Colorado Revised Statutes, 10-4-1003, **amend**
15 (1) (a), (1) (c) introductory portion, (4), (5), and (6) as follows:

16 **10-4-1003. Disclosure of information.** (1) (a) When any person
17 or insurer has reason to believe that a fire loss may have been caused by
18 other than accidental means or that any insurance claim may be
19 fraudulent, then such person may, and such insurer shall, notify an
20 authorized agency OR A SECONDARY AGENCY.

21 (c) No insurer, ~~or~~ authorized agency, OR SECONDARY AGENCY
22 shall intentionally refuse to release any relevant information concerning
23 a possible nonaccidental fire loss or fraudulent insurance act, upon
24 request, to:

1 (4) Any authorized agency OR SECONDARY AGENCY provided with
2 relevant information or evidence pursuant to subsection (1) or (2) of this
3 section may release such information to any other authorized agency,
4 INSURER, OR SECONDARY AGENCY.

5 (5) Any insurer providing information to an authorized OR
6 SECONDARY agency or agencies pursuant to subsection (1) or (2) of this
7 section may, in writing, request such agency to release to such insurer
8 specific, relevant information or evidence relating to the fire loss or other
9 claim under investigation. Such agency may, in its sole discretion, and
10 with such restrictions as such agency deems appropriate, release such
11 information to such insurer.

12 (6) Any authorized agency OR SECONDARY AGENCY receiving a
13 notice or other information pursuant to this part 10 may release such
14 notice or other information to other ~~law enforcement agencies~~
15 AUTHORIZED AGENCIES, INSURERS, OR SECONDARY AGENCIES.

16 **SECTION 3.** In Colorado Revised Statutes, 10-4-1004, **amend**
17 (1) as follows:

18 **10-4-1004. Evidence - confidential.** (1) Any authorized agency,
19 SECONDARY AGENCY, or insurer which receives any information furnished
20 pursuant to this part 10 shall hold the information in confidence except
21 as provided in section 10-4-1003 (4) or until such time as its release is
22 required pursuant to a civil or criminal proceeding.

23 

24 **SECTION 4. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2014 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.