



STATE FISCAL IMPACT

Drafting Number: LLS 13-0873**Date:** March 19, 2013**Prime Sponsor(s):** Sen. Heath**Bill Status:** Senate Business, Labor & Technology**Fiscal Analyst:** Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE REQUIREMENTS FOR NOTICE OF TERMINATION OF HOMEOWNERS' INSURANCE COVERAGE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

Under current law, an insurer is required to mail cancellation or non-renewal notices, together with the reasons for the cancellation or non-renewal, to homeowner's insurance policyholders by first-class mail. This bill requires that these notices be sent by certified mail.

State Expenditures

The Division of Insurance in the Department of Regulatory Agencies responds to complaints concerning homeowner's insurance policy cancellations and non-renewals. Staff typically requires the insurer to provide proof that the appropriate notification was mailed to the policyholder. With this bill, the division staff will request proof that the notice was sent certified mail. To the extent that policyholders will have to confirm receipt of their notifications, complaints may be reduced. This is not expected to affect the cost of addressing complaints so the bill can be implemented within existing appropriations.

Departments Contacted

Regulatory Agencies