



*Colorado Legislative Council Staff*  
**NO FISCAL IMPACT**

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**Drafting Number:** LLS 06-0516

**Date:** February 20, 2006

**Prime Sponsor(s):** Sen. Mitchell

**Bill Status:** Senate Business, Labor and Technology

**Fiscal Analyst:** Amy Larsen (303-866-3488)

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**TITLE:** CONCERNING RECIPROCAL BENEFICIARY AGREEMENTS.

### Summary of Assessment

The purpose of this bill is to allow two unmarried persons to establish a reciprocal beneficiary agreement to extend certain rights and responsibilities to each party. These rights and responsibilities include the following:

- medical visitation and notifications;
- authorization of medical care and treatment;
- participation in decision making related to anatomical gifts and disposition of remains;
- protections and programs specified in the domestic violence section of the criminal code;
- protections, equal to a spouse, should one party die without a last will and testament; and
- acquisition, ownership or transfer of real property.

To enter into a reciprocal beneficiary agreement, the following conditions must be met: (1) both parties must be at least 18 years of age; (2) neither party can be married or be in another reciprocal beneficiary agreement; (3) the parties must be excluded from marrying each other, unless they are or were related by blood, adoption, or marriage; and (4) the parties must execute a reciprocal beneficiary agreement form as provided by the Secretary of State. Domestic partners registered in another state are considered reciprocal beneficiaries if they meet the requirements listed above.

In addition, the bill allows an employer to elect to cover reciprocal beneficiaries as dependents for health care coverage. Individual or group insurance policies that provide coverage for a family member of the insured must also provide coverage for a reciprocal beneficiary. Unless a referendum petition is filed, the bill will take effect August 9, 2006, assuming the General Assembly adjourns on May 10, 2006.

This bill is assessed as having no fiscal impact based on the following:

- the Secretary of State's Office is expected to incur costs to design a reciprocal beneficiary agreement form and to make it available both on its website and hard copy, but these expenses are minimal and absorbable within current resources;
- as an employer, the state cannot include reciprocal beneficiaries as dependents on the state employee health plans, because the current definition of dependent for employee benefits does not include reciprocal beneficiaries (Section 24-50-603 (5) C.R.S.);

- the fiscal note assumes that reciprocal beneficiaries agreements will not impact Medicaid eligibility or estate recovery procedures since state and federal definitions of dependent and spouse do not change;
- beneficiaries may bring court cases to enforce or contest provisions of the legislation, but there may also be a reduction in litigation since certain issues may be determined in the agreement reducing litigation; at this time, expenses for the judicial branch are not expected to significantly change; and
- the Department of Regulatory Agencies may receive additional rate filings from health insurance carriers, and additional questions and complaints from consumers, but expenses are expected to be minimal and absorbable within current resources.

**Departments Contacted**

Secretary of State  
Personnel and Administration  
Health Care Policy and Financing

Judicial  
Regulatory Agencies

Law