

Second Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 06-0264.01 Christy Chase

**HOUSE BILL 06-1040**

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**HOUSE SPONSORSHIP**

**Marshall,** Coleman, and Paccione

**SENATE SPONSORSHIP**

**Veiga,**

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**House Committees**

Business Affairs and Labor

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE SUNSET REVIEW OF THE FUNCTIONS OF THE DIVISION**  
102 **OF INSURANCE, AND, IN CONNECTION THEREWITH, CONTINUING**  
103 **THE FUNCTIONS OF THE DIVISION RELATING TO THE ISSUANCE**  
104 **OF CERTIFICATES OF AUTHORITY FOR HEALTH AND LIFE**  
105 **INSURERS, ADDING THE SUNSET REVIEW OF THE DIVISION'S**  
106 **REGULATION OF LIFE INSURANCE AND HEALTH CARE COVERAGE,**  
107 **BROADENING THE SUNSET REVIEW OF THE REGULATION OF**  
108 **PROPERTY AND CASUALTY INSURANCE, AND REQUIRING THE**  
109 **DIVISION TO TRACK INFORMATION PERTAINING TO ITS**  
110 **COMPLIANCE WITH THE UNIFORM CERTIFICATE OF AUTHORITY**  
111 **APPLICATION PROCESS.**

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**Bill Summary**

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.*

HOUSE  
3rd Reading Unamended  
January 23, 2006

HOUSE  
2nd Reading Unamended  
January 20, 2006

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Sunset Process - House Business Affairs and Labor Committee.** Continues the functions of the division of insurance (division) related to the issuance of certificates of authority for health and life insurers through July 1, 2015. Adds a sunset review of the functions of the division related to the regulation of life insurance and repeals said functions effective July 1, 2007. Expands the sunset review of the functions of the division related to the issuance of certificates of authority for property and casualty, automobile, and other insurers to encompass the regulation of such insurers. Adds a sunset review of the functions of the division related to the regulation of health care coverage and repeals said functions effective July 1, 2012.

Requires the division to make efforts to comply with the uniform process established by the national association of insurance commissioners for applications for certificates of authority and to track compliance with said process.

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

2           **SECTION 1.** 10-1-103 (6) (b) (I) (B) and (6) (b) (I) (D),  
3 Colorado Revised Statutes, are amended, and the said 10-1-103 (6) (b) (I)  
4 is further amended BY THE ADDITION OF THE FOLLOWING NEW  
5 SUB-SUBPARAGRAPHS, to read:

6           **10-1-103. Division of insurance - subject to termination -**  
7 **repeal of functions.** (6) (b) (I) (B) The functions of the division of  
8 insurance related to the issuance of certificates of authority for health and  
9 life insurers are repealed, effective ~~July 1, 2006~~, JULY 1, 2015, pursuant  
10 to the provisions of this section and ~~section 24-34-104 (37)~~; SECTION  
11 24-34-104 (46), C.R.S.

12           (B.5) THE FUNCTIONS OF THE DIVISION OF INSURANCE RELATED TO  
13 THE REGULATION OF LIFE INSURANCE ARE REPEALED, EFFECTIVE JULY 1,  
14 2007, PURSUANT TO THE PROVISIONS OF THIS SECTION AND SECTION

1 24-34-104 (38), C.R.S.

2 (D) The functions of the division of insurance related to the  
3 ~~issuance of certificates of authority for~~ REGULATION OF property and  
4 casualty, automobile, and any other entity or function that does not offer  
5 health, life, property, casualty, or automobile insurance by the division are  
6 repealed, effective July 1, 2010, pursuant to the provisions of this section  
7 and section 24-34-104 (41), C.R.S.

8 (E) THE FUNCTIONS OF THE DIVISION OF INSURANCE RELATED TO  
9 THE REGULATION OF HEALTH CARE COVERAGE ARE REPEALED, EFFECTIVE  
10 JULY 1, 2012, PURSUANT TO THE PROVISIONS OF THIS SECTION AND  
11 SECTION 24-34-104 (43), C.R.S.

12 **SECTION 2.** Part 1 of article 3 of title 10, Colorado Revised  
13 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
14 read:

15 **10-3-130. Certificate of authority application process -**  
16 **tracking compliance with uniform process.** THE DIVISION SHALL MAKE  
17 EVERY EFFORT TO COMPLY WITH THE UNIFORM PROCESS ESTABLISHED AND  
18 ENDORSED BY THE NATIONAL ASSOCIATION OF INSURANCE  
19 COMMISSIONERS FOR APPLICATIONS FOR CERTIFICATES OF AUTHORITY,  
20 INCLUDING COMPLIANCE WITH ESTABLISHED DEADLINES FOR EVALUATING,  
21 APPROVING, AND DENYING APPLICATIONS FOR CERTIFICATES OF  
22 AUTHORITY. THE DIVISION SHALL TRACK ALL ASPECTS OF THE  
23 CERTIFICATE OF AUTHORITY APPLICATION PROCESS IN ORDER TO MONITOR  
24 COMPLIANCE WITH THE UNIFORM STANDARDS AND TO ENABLE  
25 COMPARISON WITH OTHER STATES FOR PURPOSES OF DETERMINING AREAS  
26 FOR IMPROVEMENT.

27 **SECTION 3. Repeal.** 24-34-104 (37) (e), Colorado Revised

1 Statutes, is repealed as follows:

2 **24-34-104. General assembly review of regulatory agencies**  
3 **and functions for termination, continuation, or reestablishment.**

4 (37) The following agencies, functions, or both, shall terminate on July  
5 1, 2006:

6 (e) ~~The functions of the division of insurance related to the~~  
7 ~~issuance of certificates of authority for health and life insurers pursuant~~  
8 ~~to article 1 of title 10, C.R.S.;~~

9 **SECTION 4.** 24-34-104 (38), Colorado Revised Statutes, is  
10 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

11 **24-34-104. General assembly review of regulatory agencies**  
12 **and functions for termination, continuation, or reestablishment.**

13 (38) The following agencies, functions, or both, shall terminate on July  
14 1, 2007:

15 (i) THE FUNCTIONS OF THE DIVISION OF INSURANCE RELATED TO  
16 THE REGULATION OF LIFE INSURANCE PURSUANT TO ARTICLE 1 OF TITLE 10,  
17 C.R.S.

18 **SECTION 5.** 24-34-104 (41) (n), Colorado Revised Statutes, is  
19 amended to read:

20 **24-34-104. General assembly review of regulatory agencies**  
21 **and functions for termination, continuation, or reestablishment.**

22 (41) The following agencies, functions, or both, shall terminate on July  
23 1, 2010:

24 (n) The functions of the division of insurance related to the  
25 ~~issuance of certificates of authority for~~ REGULATION OF property and  
26 casualty, automobile, and any other entity or function that does not offer  
27 health, life, property, casualty, or automobile insurance by the division,

1 pursuant to article 1 of title 10, C.R.S.;

2 **SECTION 6.** 24-34-104 (43), Colorado Revised Statutes, is  
3 amended to read:

4 **24-34-104. General assembly review of regulatory agencies**  
5 **and functions for termination, continuation, or reestablishment.**

6 (43) The following agencies, functions, or both shall terminate on July  
7 1, 2012:

8 (a) The state board of pharmacy and regulation of the practice of  
9 pharmacy by the department of regulatory agencies through the division  
10 of registrations;

11 (b) THE FUNCTIONS OF THE DIVISION OF INSURANCE RELATED TO  
12 THE REGULATION OF HEALTH CARE COVERAGE PURSUANT TO THE  
13 PROVISIONS OF ARTICLE 1 OF TITLE 10, C.R.S.

14 **SECTION 7.** 24-34-104 (46), Colorado Revised Statutes, is  
15 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

16 **24-34-104. General assembly review of regulatory agencies**  
17 **and functions for termination, continuation, or reestablishment.**

18 (46) The following agencies, functions, or both, shall terminate on July  
19 1, 2015:

20 (g) THE FUNCTIONS OF THE DIVISION OF INSURANCE RELATED TO  
21 THE ISSUANCE OF CERTIFICATES OF AUTHORITY FOR HEALTH AND LIFE  
22 INSURERS PURSUANT TO ARTICLE 1 OF TITLE 10, C.R.S.

23 **SECTION 8. Safety clause.** The general assembly hereby finds,  
24 determines, and declares that this act is necessary for the immediate  
25 preservation of the public peace, health, and safety.