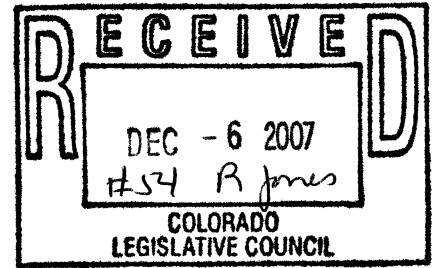


Unfair Practices of Insurance Companies



Be it Enacted by the People of the State of Colorado

New Subsection:

10-3-1104.9 Insurance Companies Unfair Methods in Determining Disability Benefits

Any company doing insurance shall not decide against self paid short term or long term disability policy holders on the basis of the company's review.

(1) The following are defined as methods of ensuring a fair disability practice in the business of insurance for self paid short term and long term disability policies.

A. The Division of Insurance shall create a Disability Responsibility Office. The Division of Insurance shall set the cost of the office and program yearly. The program shall be funded by companies doing business in Colorado in a manner determined by the Insurance Commissioner.

B. The Disability Responsibility Office shall contract with the Division of Workers' Compensation to conduct an independent medical exam for participants with self paid short or long term disability policies.

B. The Division of Insurance shall ensure that no insurance company shall decide self paid short term or long term disability on the basis of the companies review.

C. Any insurance company doing short term or long term disability business in Colorado shall accept the independent medical exam recommendation their final action.. The policy holder will maintain all appeal rights.

D. If an independent medical examination finds the individual should have received benefits and benefits had not been awarded, the policy holder shall receive three times the award for the months that they had been denied. All Attorney fees shall be awarded to the policy holder.

E. Any insurance company that fails to follow the intent of this section, will be found guilty of a fraudulent act. The fine structure will be \$100,000 for each fraudulent act. The penalty will be paid to the policy holder. After thee fraudulent acts, the insurance company will be suspended from doing business in Colorado.

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