

First Regular Session
Sixty-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. R01-0773.01 Julie Hoerner

HJR01-1029

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HOUSE JOINT RESOLUTION 01-1029

101 **CONCERNING AN INTERIM COMMITTEE TO EVALUATE CERTAIN**
102 **ASPECTS OF THE "COLORADO AUTO ACCIDENT REPARATIONS**
103 **ACT", AND, IN CONNECTION THEREWITH, EVALUATING THE**
104 **CREATION OF A TORT OPTION FOR AUTO INSURANCE AND A**
105 **CATASTROPHIC FUND FOR PERSONS WHO ELECT NO-FAULT**
106 **COVERAGE AND EVALUATING WHEN A PERSON MAY SUE FOR**
107 **DAMAGES RELATED TO INJURIES SUSTAINED IN AN AUTO**
108 **ACCIDENT.**

1 WHEREAS, Auto insurance premiums in Colorado are high, in
2 part because the current auto liability insurance system may encourage
3 unnecessarily litigious behavior by both claimants and defendants to settle
4 claims; and

5 WHEREAS, Auto insurance premiums are unaffordable for many
6 Colorado citizens; and

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.

1 WHEREAS, Adopting a pure no-fault system should be considered
2 as a way to reduce the cost of insurance premiums, eliminate litigation for
3 noneconomic damages, and streamline the system for the consumer; and

4 WHEREAS, A catastrophic injury fund may address problems
5 faced by persons who sustain catastrophic injuries as a result of an auto
6 accident and may ideally reduce the number of such persons who turn to
7 publicly funded health benefits such as medicaid; and

8 WHEREAS, Considering whether an option that allows Colorado
9 drivers to purchase auto insurance that would allow the driver to pursue
10 all tort remedies against another driver who causes an accident or an auto
11 policy that would preclude tort recovery unless the person suffered serious
12 bodily impairment may also help to reduce the cost of auto insurance
13 premiums for Colorado drivers; now, therefore,

14 *Be It Resolved by the House of Representatives of the Sixty-third*
15 *General Assembly of the State of Colorado, the Senate concurring herein:*

16 (1) That there shall be a legislative committee formed to study and
17 evaluate auto insurance issues affecting affordability of premiums, the
18 adoption of a pure no-fault system, the possible creation of a catastrophic
19 injury fund, and the cost effectiveness of allowing the consumer to choose
20 to sue a tortfeasor for the recovery of damages sustained in an auto
21 accident, hereinafter referred to as the "interim committee", which shall
22 meet in the interim after the 2001 regular session of the Sixty-third
23 General Assembly.

24 (2) That the interim committee shall consist of eleven members as
25 follows:

26 (a) Five senators, three appointed by the President of the Senate,
27 one of whom shall be the chair of the Senate Business, Labor, and Finance
28 Committee and who shall serve as the chair of the interim committee, and
29 two appointed by the minority leader of the Senate;

30 (b) Six representatives appointed by the Speaker of the House of
31 Representatives, one of whom shall be the chair of the House Business
32 Affairs and Labor Committee and who shall serve as the vice-chair of the
33 interim committee, no more than four of whom shall be from the same
34 political party, and the Speaker of the House of Representatives shall
35 consult with the minority leader of the House of Representatives in the
36 appointment of at least two members to the interim committee.

37 (3) That the interim committee shall review the following issues
38 related to the cost of and access to auto insurance:

39 (a) A catastrophic injury fund, including, but not limited to, the
40 following:

41 (I) What is catastrophic - is it defined by a dollar amount of
42 medical bills or by particular diagnoses;

43 (II) The feasibility of creating a catastrophic injury fund in

- 1 Colorado for persons injured in an auto accident;
- 2 (III) Should a catastrophic injury fund be limited to claims from
3 auto accidents;
- 4 (IV) What are the medicaid savings associated with a catastrophic
5 injury fund and how would a catastrophic injury fund interact with
6 medical assistance provided through medicaid, medicare, federal social
7 security disability income, social security income, and workers'
8 compensation benefits;
- 9 (V) Would a catastrophic injury fund be subject to the limitations
10 of the taxpayer's bill of rights (TABOR), section 20 of article X of the
11 state Constitution;
- 12 (VI) Would there be different TABOR implications if the
13 catastrophic fund is not limited to auto insurance claims;
- 14 (VII) Michigan has created a catastrophic injury fund to address
15 severe auto accident injuries; what are the lessons that Colorado may learn
16 from Michigan's experience;
- 17 (VIII) Are there significant sources of catastrophic injuries that are
18 caused by conditions other than auto accidents;
- 19 (IX) In the event a catastrophic injury fund is created, should there
20 be a limit on the amount of damages that may be reimbursed from the
21 catastrophic injury fund;
- 22 (X) What are reasonable expenses that should be reimbursed by
23 a catastrophic fund;
- 24 (XI) Would a catastrophic injury fund need to utilize managed
25 care components in order to assist with the effective use of moneys in the
26 fund and if so, what managed care components should be used;
- 27 (XII) How would money be obtained for a catastrophic fund and
28 who or what entities would contribute to a catastrophic fund;
- 29 (XIII) Would there be an effect on premiums by adopting a verbal
30 threshold as part of a pure no-fault system, and if there is an effect, does
31 it benefit the consumer;
- 32 (XIV) What is the effect of adopting a mandatory peer review
33 system for personal injury claims from an auto accident; and
- 34 (XV) Should a fee schedule be adopted for health care services
35 rendered as a result of an auto accident.
- 36 (b) What are the impacts of implementing an option for consumers
37 to choose between the ability to sue a tortfeasor for the recovery of
38 damages and the ability to receive coverage for injuries sustained in an
39 accident involving a motor vehicle through a pure no-fault plan with a
40 catastrophic injury fund;

1 (c) Will auto insurance premiums be reduced with the
2 implementation of a catastrophic injury fund or by allowing consumers to
3 choose auto insurance coverage pursuant to paragraph (b) of this
4 subsection (3); and

5 (d) Any other matters the committee deems relevant to answering
6 the issues in paragraphs (a) to (c) of this subsection (3).

7 (4) (a) That the interim committee shall hold meetings, take public
8 testimony, and sponsor discussions with any interested party, including,
9 but not limited to, consumers, providers of health care services,
10 representatives from the division of insurance, and auto and health
11 insurance carriers.

12 (b) That the interim committee may conduct up to eight meetings.
13 All interim committee hearings shall be concluded by October 1, 2001.

14 (5) That appointments to the interim committee shall be made by
15 July 1, 2001. The first meeting of the interim committee shall occur
16 during the week of July 15, 2001.

17 (6) That the staff of the Legislative Council and the Office of
18 Legislative Legal Services shall be available to assist the interim
19 committee in carrying out its duties.

20 (7) That the interim committee shall make recommendations
21 regarding the issues reviewed and, if necessary, recommend legislation.
22 Legislation recommended by the committee shall be treated as legislation
23 recommended by any other legislative interim committee for purposes of
24 any introduction deadlines or bill limitations imposed by the joint rules of
25 the Senate and the House of Representatives.

26 (8) (a) That the legislative members of the interim committee shall
27 be compensated as provided in section 2-2-307, Colorado Revised
28 Statutes, for attendance at meetings of the interim committee.

29 (b) That the interim committee may accept and expend gifts,
30 grants, donations, and federal funds for the purposes of this interim
31 committee.

32 (9) That the actual and necessary expenses, including per diem,
33 incurred in the conduct of the interim committee shall be approved by the
34 chairperson of the Legislative Council and paid by vouchers and warrants
35 drawn as provided by law from funds allocated to the Legislative Council
36 from appropriations made by the General Assembly.