



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 21-0185	Date:	July 29, 2021
Prime Sponsors:	Rep. Lontine Sen. Rodriguez	Bill Status:	Signed into Law
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Bill Topic: MODEL LAW CREDIT EXTRATERRITORIAL REINSURANCE

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill updates the Credit for Reinsurance Model Act in Colorado insurance law to be consistent with the laws of other states. It requires a one-time increase in workload in FY 2021-22.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

This bill updates the Credit for Reinsurance Model Act in Colorado insurance law to be consistent with the laws of other states. The bill specifies the conditions under which a credit is allowed when reinsurance is ceded to an assuming insurer and requires the Commissioner of Insurance in the Department of Regulatory Agencies (DORA) to create and publish a list of reciprocal jurisdictions and assuming insurers.

Background

Insurance is regulated at the state level to meet the needs of resident consumers. For insurance laws that can be uniform across state lines, the National Association of Insurance Commissioners develops model acts for state legislatures to incorporate into their respective insurance codes.

State Expenditures

This bill will increase workload for the Division of Insurance in DORA to conduct rulemaking to implement the bill and to develop the list of reciprocal jurisdictions and assuming insurers. This workload increase can be accomplished within existing appropriations.

Effective Date

The bill was signed into law by the Governor on April 19, 2021, and takes effect on September 7, 2021, assuming no referendum petition is filed.

Contacts

Information Technology

Regulatory Agencies