

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

March 8, 2023
Date

Committee on Business Affairs & Labor.

After consideration on the merits, the Committee recommends the following:

HB23-1174 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 2, line 4, strike "**rebuild**" and substitute
- 2 "**reconstruct**".

- 3 Page 2, lines 4 and 5, strike "**insurer requirements -**".

- 4 Page 2, line 6, after "ANNUAL" insert "RESIDENTIAL RECONSTRUCTION
- 5 CONSUMER INFORMATION".

- 6 Page 2, strike line 7 and substitute "COST OF RECONSTRUCTING HOMES IN
- 7 COLORADO,".

- 8 Page 2, line 8, strike "LOSS,".

- 9 Page 2, line 9, strike "AND" and strike "TYPES." and substitute "TYPES,
- 10 AND THE FACTORS INCLUDED IN SECTION 10-4-110.8 (8).".

- 11 Page 3, strike lines 6 through 24.

- 12 Renumber succeeding subsection accordingly.

- 13 Page 4, line 14, strike "(6)" and substitute "(6)(a)" and strike "(3)(d.5),
- 14 (3)(d.7)," and substitute "(3)(d.7)".

- 15 Page 4, strike lines 21 through 25.

- 16 Page 5, strike lines 3 through 27.

- 17 Page 6, strike lines 1 through 14 and substitute:

1 "(6) (a) (I) Before issuance or renewal of a replacement-cost
2 homeowner's insurance policy whose dwelling limit is equal to or greater
3 than the estimated replacement cost of the residence, the insurer shall
4 make available to an applicant the opportunity to obtain extended
5 replacement-cost coverage and law and ordinance coverage. At a
6 minimum, the insurer shall ~~make available~~ OFFER law and ordinance
7 coverage in an amount of insurance equal to ~~ten~~ TWENTY percent of the
8 limit of the insurance for the dwelling and extended replacement-cost
9 coverage in an amount of insurance that is at least ~~twenty~~ FIFTY percent
10 of the limit of the insurance for the dwelling. Information provided must
11 be accompanied by an explanation of the purpose, terms, and cost of these
12 coverages. This ~~paragraph (a)~~ SUBSECTION (6)(a) does not apply to any
13 homeowner's insurance policy that already includes GUARANTEED
14 REPLACEMENT COST COVERAGE, INFLATION PROTECTION COVERAGE,
15 extended replacement-cost coverage, ~~and~~ OR law and ordinance coverage
16 in amounts greater than or equal to the amounts specified in this
17 ~~paragraph (a)~~ SUBSECTION (6)(a).

18 (II) THE INSURER SHALL LIST ON THE DECLARATION PAGE OF THE
19 POLICY, IN BOLD AND IN TWELVE-POINT TYPE, WHETHER A CONSUMER
20 PURCHASED OR REJECTED THE ADDITIONAL COVERAGES LISTED IN THIS
21 SUBSECTION (6)(a), AS PRESCRIBED BY THE COMMISSIONER BY RULE."

22 Page 6, line 19, strike "REPLACEMENT" and substitute
23 "RECONSTRUCTION".

24 Page 6, line 20, strike "REPLACEMENT" and substitute
25 "RECONSTRUCTION".

26 Page 6, line 22, strike "REBUILDING" and substitute "RECONSTRUCTION".

27 Page 6, line 24, strike "REBUILDING" and substitute "RECONSTRUCTION".

28 Page 7, strike line 1 and substitute:

29 "(IV) COST OF PERMITS AND ARCHITECT'S PLANS AND FEES; AND".

30 Page 7, line 2 strike "PROPERTY," and substitute "STRUCTURE,".

31 Page 7, line 3, strike "FOUNDATION;" and substitute "FOUNDATION TYPE;".

32 Page 7, line 13 strike "PROPERTY" and substitute "STRUCTURE".

- 1 Page 7, line 14 strike "PROPERTY'S" and substitute "STRUCTURE'S".
- 2 Page 7, line 17, after "12," add "IF".
- 3 Page 7, line 19, strike "(9.5) and substitute "(9.5) (a)" and after "A" add
4 "REPLACEMENT COST".
- 5 Page 7, line 21, strike "(a)" and substitute "(I)".
- 6 Page 7, line 22 strike "REBUILD OR REPLACE" and substitute
7 "RECONSTRUCT".
- 8 Page 7, line 23, strike "PROPERTY;" and substitute "STRUCTURE;".
- 9 Page 7, line 24, strike "(b)" and substitute "(II)".
- 10 Page 7, line 26, strike "(I)" and substitute "(A)".
- 11 Page 8, strike lines 1 through 3 and substitute:
- 12 "(B) THERECONSTRUCTION COSTS FOR HOMES AS DETAILED IN THE
13 ANNUAL REPORT REQUIRED IN SECTION 10-1-144 FOR THE SAME
14 GEOGRAPHIC AREA OF THE INSURED'S HOME;".
- 15 Page 8, line 4, strike "(c)" and substitute "(III)" and after "ANY" add
16 "GENERATED".
- 17 Page 8, line 5, after "TOOLS" add "OR SERVICES" and strike
18 "REPLACEMENT" and substitute "RECONSTRUCTION".
- 19 Page 8, line 6, strike "AND".
- 20 Page 8, strike line 7 and substitute:
- 21 "(IV) PROVIDE THE APPLICANT OR POLICYHOLDER WITH THE WEB
22 ADDRESS OF, OR A LINK TO,".
- 23 Page 8, line 8, strike "10-1-144." and substitute "10-1-144; AND".
- 24 Page 8, before line 9 insert:
- 25 "(b) AN INSURER OTHERWISE SUBJECT TO THIS SUBSECTION (9.5)
26 DOES NOT HAVE TO COMPLY WITH THE REQUIREMENTS OF THIS

1 SUBSECTION (9.5) IF:
2 (I) WITHIN THE TWO YEARS PRIOR TO THE OFFER OF RENEWAL OF
3 THE HOMEOWNER'S INSURANCE POLICY, THE POLICYHOLDER HAS
4 REQUESTED AND THE INSURER HAS PROVIDED COVERAGE LIMITS GREATER
5 THAN THE LIMITS PREVIOUSLY SELECTED BY THE POLICYHOLDER; OR
6 (II) IN CONNECTION WITH ITS ANNUAL OFFER TO RENEW THE
7 POLICY, THE INSURER HAS OFFERED THE POLICYHOLDER, ON AN
8 EVERY-OTHER-YEAR BASIS, THE RIGHT TO RECALCULATE THE
9 RECONSTRUCTION COST ESTIMATE AND THE POLICY INCLUDES INFLATION
10 PROTECTION COVERAGE."

11 Page 8, line 14, strike "REBUILD" and substitute "RECONSTRUCTION".

12 Page 8, line 15, strike " rebuilding" and substitute "RECONSTRUCTING".

13 Page 1, strike line 103, and substitute "**COST OF RECONSTRUCTING A**
14 **HOME,**".

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