



**Colorado
Legislative
Council
Staff**

HB17-1231

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0992	Date: September 14, 2017
Prime Sponsor(s): Rep. Arndt; Lawrence Sen. Tate; Smallwood	Bill Status: Signed into Law
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BILL TOPIC: MARKET CONDUCT EXAMINATIONS INSURANCE COMPANIES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue General Fund	Possible reduction.	
State Expenditures	See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing possible reduction in General Fund revenue.		

Summary of Legislation

This bill primarily reorganizes and relocates statutes related to financial examinations and market conduct examinations of insurance companies by the Division of Insurance in the Department of Regulatory Agencies into separate parts of Title 10 of the Colorado Revised Statutes and makes conforming amendments. In addition, the bill:

- extends the date for an insurer to review and respond to prior year complaints from January 31 to February 15; and
- limits the aggregate civil penalty limit to \$200,000 per calendar year (currently there is no aggregate penalty limit).

State Revenue

The limit on the aggregate civil penalty in the bill may reduce General Fund revenue from civil penalties. No fines over the new limit have been assessed in the past 10 years, so this is not expected to have a significant impact on General Fund revenue.

State Expenditures

House Bill 17-1006 allows agencies to request the Secretary of State to update statutory citations in the Code of Colorado Regulations without the agency notice, comment, or hearing requirements of the Administrative Procedure Act. As such, relocating these sections of statute will not impact the expenditures or workload of the Department of Regulatory Agencies. The provisions that change the examination of insurers do not affect agency workload.

Effective Date

The bill was signed into law by the Governor on June 1, 2017, and takes effect January 1, 2018, assuming no referendum petition is filed.

State and Local Government Contacts

Regulatory Agencies