



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 22-1054	Date:	April 27, 2022
Prime Sponsors:	Rep. Bird; Holtorf	Bill Status:	House Business
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Bill Topic: **INSURANCE COMPANIES' REGISTERED AGENTS**

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

The bill makes changes to laws governing registered agents of insurance companies. The bill increases state workload beginning in FY 2022-23.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill. Due to time constraints, this analysis is preliminary and will be updated following further review and any additional information received.

Summary of Legislation

Under current law, an insurance company formed in another state or government is required to appoint the Commissioner of Insurance in the Department of Regulatory Agencies (DORA) as the company's attorney to be served process in any action or proceeding against the company before doing business in the state. The bill removes this requirement.

The bill requires all insurance companies doing business in the state to file the name of a registered agent, designated to receive service of process in Colorado, with DORA. DORA is required to maintain a list of these registered agents, and make the information available upon request. Each insurance company must report any change to the registered agent within 10 days.

The bill allows service of process to be made upon the commissioner if:

- an insurance company fails to appoint or maintain a registered agent in the state;
- an insurance company's registered agent cannot be found with reasonable diligence; or
- an insurance company's certificate of authority is revoked.

If an individual relies on the list of registered agents and serves process on an insurance company's registered agent, and it is later determined that the registered agent listed is not the correct registered agent, the individual may serve process on the commissioner, with the statute of limitation delayed to the point in time when the incorrect registered agent received service.

State Expenditures

To the extent that insurance companies that have a primary authority outside of the state file the name of a registered agent with the commissioner, workload in the DORA will increase to keep the list updated and provide the list upon request. The fiscal note assumes this workload is absorbable and that no change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Information Technology
Law

Judicial
Regulatory Agencies