

Second Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 06-0236.01 Kristen Forreстал

HOUSE BILL 06-1043

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Corky Kyle, CAE, MPA  
The Kyle Group, LLC  
14450 West 56<sup>th</sup> Place  
Arvada, CO 80002  
Tel: 303-302-1109  
Fax: 303-302-1108  
CKyle@TheKyleGroup.com  
www.TheKyleGroup.com

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE COLORADO CONSUMER  
102 INSURANCE BOARD FOR THE PURPOSE OF PROVIDING COUNSEL  
103 TO THE DIVISION OF INSURANCE.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Interim Committee on Auto Insurance.** Creates the Colorado consumer insurance board (board). Requires the governor to appoint, with the consent of the senate, 11 members to the board who represent business and consumer interests, one from each congressional district, and not more than 6 from the same political party. Requires the members, to the extent possible, to have experience in various insurance

**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.*

matters. Establishes that the members shall be appointed in staggered terms beginning March 1, 2007, and shall meet at least 6 times per year. Prohibits any person who has certain financial or proprietary interests in a corporation that is subject to regulation by the division or the commissioner from being appointed to the board.

Requires the board to represent the public interest of Colorado insurance users. Grants power to the board to provide policy guidance to the commissioner of insurance (commissioner), gather and prepare information to be used at hearings regarding proposed insurance legislation, annually review the performance of the commissioner, and contract with employees outside of the employ of the division or the department. Specifies that the board may participate as a party in any proceeding before the division concerning premium rate changes, rule-making, copayment or deductible amounts, tariffs, and modifications of service. Prohibits the board from being a party to any individual complaint between an insurer and individual.

Requires the commissioner to work in cooperation with the board to represent the public interest. Requires the commissioner to serve the board with notice of all rate changes for insurers regulated under title 10 of the Colorado Revised Statutes. Allows members of the public to respond in writing to any changes recommended by the board.

Requires the attorney general to advise the board in all legal matters and to provide representation in proceedings in which the board participates.

Repeals the board on July 1, 2016, subject to legislative review under the sunset law.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** Part 1 of article 1 of title 10, Colorado Revised  
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
4 read:

5           **10-1-133. Colorado consumer insurance board - creation -**  
6 **appointment - attorney general to represent - repeal.** (1) (a) THERE  
7 IS HEREBY CREATED THE COLORADO CONSUMER INSURANCE BOARD FOR  
8 THE PURPOSE OF PROVIDING POLICY GUIDANCE TO THE COMMISSIONER;  
9 ADVISING THE COMMISSIONER REGARDING INSURANCE RATE CHANGE  
10 REQUESTS; REVIEWING PROPOSED LEGISLATION REGARDING INSURANCE

1 RATE CHANGES AND LEGISLATION AFFECTING THE INTERESTS OF  
2 RESIDENTIAL, SMALL BUSINESS, RURAL, HEALTH, AND COMMERCIAL  
3 POLICYHOLDERS, AND ADVISING THE COMMISSIONER ON THESE MATTERS;  
4 AND REVIEWING THE PERFORMANCE OF THE COMMISSIONER.

5 (b) BEGINNING NO LATER THAN MARCH 1, 2007, THE GOVERNOR,  
6 WITH THE CONSENT OF THE SENATE, AFTER APPROVAL BY AN ASSIGNED  
7 COMMITTEE OF REFERENCE, SHALL APPOINT ELEVEN MEMBERS TO THE  
8 BOARD, ONE FROM EACH CONGRESSIONAL DISTRICT, WITH NO MORE THAN  
9 SIX FROM THE SAME POLITICAL PARTY. IN ORDER TO ENSURE THE  
10 REPRESENTATION OF BUSINESS AND CONSUMER INTERESTS, MEMBERS  
11 SHALL BE APPOINTED TO REPRESENT EACH OF THE FOLLOWING:

12 (I) ONE MEMBER WHO SHALL REPRESENT THE INSURANCE  
13 INDUSTRY;

14 (II) ONE MEMBER WHO SHALL REPRESENT THE HOSPITAL  
15 INDUSTRY;

16 (III) ONE MEMBER WHO SHALL REPRESENT HEALTH CARE  
17 PROVIDERS;

18 (IV) ONE MEMBER WHO SHALL REPRESENT LARGE CORPORATIONS;

19 (V) ONE MEMBER WHO SHALL REPRESENT SMALL BUSINESSES;

20 (VI) ONE MEMBER WHO SHALL REPRESENT LABOR  
21 ORGANIZATIONS;

22 (VII) ONE MEMBER WHO SHALL REPRESENT RURAL COMMUNITIES;

23 AND

24 (VIII) FOUR MEMBERS WHO ARE CONSUMER ADVOCATES.

25 (c) THE MEMBERS SHALL, TO THE EXTENT POSSIBLE, BE PERSONS  
26 WITH FIVE OR MORE YEARS OF EXPERTISE OR EXPERIENCE IN  
27 CONSUMER-RELATED INSURANCE MATTERS, UNDERWRITING, CLAIMS

1 HANDLING, RATE REGULATION, AND INSURANCE LAW. IN MAKING  
2 APPOINTMENTS TO THE BOARD, THE GOVERNOR SHALL ENSURE THAT THE  
3 MEMBERSHIP OF THE BOARD REPRESENTS THE DIFFERENT GEOGRAPHIC  
4 AREAS OF THE STATE. OF THE MEMBERS OF THE BOARD APPOINTED FOR  
5 TERMS BEGINNING MARCH 1, 2007, FOUR OF SUCH MEMBERS, WITH NO  
6 MORE THAN TWO FROM THE SAME POLITICAL PARTY, SHALL BE APPOINTED  
7 FOR TERMS OF FOUR YEARS AND THREE SHALL BE APPOINTED FOR TERMS  
8 OF TWO YEARS. THEREAFTER, MEMBERS OF THE BOARD SHALL BE  
9 APPOINTED FOR TERMS OF FOUR YEARS. THE GOVERNOR SHALL NOT  
10 APPOINT ANY PERSON TO MEMBERSHIP ON THE BOARD IF SUCH PERSON  
11 HAS ANY CONFLICT OF INTEREST WITH SUCH PERSON'S DUTIES AS A  
12 MEMBER OF THE BOARD. THE GOVERNOR MAY REMOVE ANY BOARD  
13 MEMBER FOR MISCONDUCT, INCOMPETENCE, OR NEGLECT OF DUTY,  
14 SUBJECT TO THE CONSENT OF THE SENATE. BOARD MEMBERS SHALL  
15 SERVE WITHOUT COMPENSATION, BUT MEMBERS WHO RESIDE OUTSIDE  
16 THE COUNTIES OF ADAMS, ARAPAHOE, BOULDER, BROOMFIELD, DENVER,  
17 DOUGLAS, AND JEFFERSON SHALL BE ENTITLED TO REIMBURSEMENT FOR  
18 REASONABLE ACTUAL EXPENSES TO ATTEND BOARD MEETINGS IN  
19 DENVER. THE BOARD SHALL MEET AT LEAST SIX TIMES PER YEAR, AND  
20 THE SCHEDULE OF MEETINGS SHALL BE MADE PUBLIC THROUGHOUT THE  
21 STATE.

22 (d) NO PERSON SHALL BE APPOINTED TO THE COLORADO  
23 CONSUMER INSURANCE BOARD WHO HAS ANY FINANCIAL OR  
24 PROPRIETARY INTEREST, EITHER DIRECTLY OR INDIRECTLY, IN A  
25 CORPORATION THAT IS SUBJECT TO REGULATION BY THE DIVISION OR THE  
26 COMMISSIONER. THIS PARAGRAPH (d) SHALL NOT APPLY TO A PERSON  
27 WHOSE INTEREST DERIVES SOLELY FROM OWNERSHIP OF SHARES IN A

1 MUTUAL OR PENSION FUND.

2 (e) IT IS THE DUTY OF THE BOARD TO REPRESENT THE PUBLIC  
3 INTEREST OF COLORADO POLICYHOLDERS, AND, SPECIFICALLY, THE  
4 INTERESTS OF RESIDENTIAL, RURAL, SMALL BUSINESS, HEALTH, AND  
5 COMMERCIAL POLICYHOLDERS, BY PROVIDING GUIDANCE AND OVERSIGHT  
6 FOR THE COMMISSIONER IN THE PERFORMANCE OF HIS OR HER STATUTORY  
7 DUTIES AND RESPONSIBILITIES AS SPECIFIED IN THIS TITLE. THE POWERS  
8 AND DUTIES OF THE BOARD SHALL INCLUDE, BUT NOT BE LIMITED TO, THE  
9 FOLLOWING:

10 (I) TO PROVIDE GENERAL POLICY GUIDANCE TO THE  
11 COMMISSIONER AND THE DIVISION REGARDING RULE-MAKING MATTERS,  
12 LEGISLATIVE PROJECTS, GENERAL ACTIVITIES, AND PRIORITIES OF THE  
13 DIVISION;

14 (II) TO GATHER INFORMATION, FORMULATE POLICY POSITIONS,  
15 AND PREPARE ANALYSIS AND TESTIMONY FOR THE COMMISSIONER FOR  
16 USE AT PUBLIC HEARINGS, INCLUDING LEGISLATIVE HEARINGS, ON  
17 PROPOSED LEGISLATION REGARDING INSURANCE RATE CHANGES AND  
18 LEGISLATION AFFECTING THE INTERESTS OF RESIDENTIAL, SMALL  
19 BUSINESS, RURAL, HEALTH, AND COMMERCIAL POLICYHOLDERS;

20 (III) TO REVIEW ANNUALLY THE PERFORMANCE OF THE  
21 COMMISSIONER;

22 (IV) TO CONTRACT WITH ACTUARIES, ECONOMISTS, OR OTHER  
23 EMPLOYEES OUTSIDE OF THE EMPLOY OF THE DIVISION OR THE  
24 DEPARTMENT AS MAY BE NECESSARY TO CARRY OUT THE DUTIES OF THE  
25 BOARD.

26 (2) THE COLORADO CONSUMER INSURANCE BOARD MAY PETITION  
27 FOR, REQUEST, INITIATE, AND APPEAR AND INTERVENE AS A PARTY IN,

1 ANY PROCEEDING BEFORE THE DIVISION CONCERNING PREMIUM RATE  
2 CHANGES, RULE-MAKING, COPAYMENT OR DEDUCTIBLE AMOUNTS,  
3 TARIFFS, AND MODIFICATIONS OF SERVICE. NOTWITHSTANDING ANY  
4 PROVISIONS OF THIS SECTION TO THE CONTRARY, THE BOARD SHALL NOT  
5 BE A PARTY TO ANY INDIVIDUAL COMPLAINT BETWEEN AN INSURER AND  
6 AN INDIVIDUAL.

7 (3) THE COMMISSIONER SHALL REPRESENT THE PUBLIC INTEREST  
8 AND, TO THE EXTENT CONSISTENT THEREWITH, THE SPECIFIC INTERESTS  
9 OF RESIDENTIAL, RURAL, HEALTH, COMMERCIAL, AND SMALL BUSINESS  
10 CONSUMERS BY WORKING IN COOPERATION WITH THE COLORADO  
11 CONSUMER INSURANCE BOARD REGARDING MATTERS THAT INVOLVE  
12 PROPOSED CHANGES IN AN INSURER'S RATES, COPAYMENT, OR  
13 DEDUCTIBLE AMOUNTS, AND IN MATTERS THAT INVOLVE RULE-MAKING  
14 THAT HAVE AN IMPACT ON THE PREMIUM RATES, COPAYMENTS, AND  
15 DEDUCTIBLE AMOUNTS; THE PROVISIONS OF SERVICES OR THE PREMIUM  
16 RATES TO CONSUMERS, AND THE FACTORS THAT AFFECT RATES,  
17 COPAYMENTS, OR DEDUCTIBLE AMOUNTS. THE COMMISSIONER SHALL  
18 SERVE THE COLORADO CONSUMER INSURANCE BOARD WITH NOTICES OF  
19 ALL RATE CHANGES FOR ANY INSURER REGULATED UNDER THIS TITLE.

20 (4) THE COMMISSIONER SHALL ALLOW MEMBERS OF THE PUBLIC  
21 TO RESPOND IN WRITING TO ANY CHANGES RECOMMENDED BY THE  
22 COLORADO CONSUMER INSURANCE BOARD.

23 (5) IT IS THE DUTY OF THE ATTORNEY GENERAL TO ADVISE THE  
24 COLORADO CONSUMER INSURANCE BOARD IN ALL LEGAL MATTERS AND  
25 TO PROVIDE REPRESENTATION IN PROCEEDINGS IN WHICH THE BOARD  
26 PARTICIPATES.

27 (6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016. PRIOR

1 TO SUCH REPEAL, THE BOARD SHALL BE REVIEWED AS PROVIDED FOR IN  
2 SECTION 24-34-104, C.R.S.

3 **SECTION 2.** 24-34-104, Colorado Revised Statutes, is amended  
4 BY THE ADDITION OF A NEW SUBSECTION to read:

5 **24-34-104. General assembly review of regulatory agencies**  
6 **and functions for termination, continuation, or reestablishment.**

7 (47) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, SHALL  
8 TERMINATE ON JULY 1, 2016: THE COLORADO CONSUMER INSURANCE  
9 BOARD, CREATED PURSUANT TO SECTION 10-1-133, C.R.S.

10 **SECTION 3. Effective date.** This act shall take effect at 12:01  
11 a.m. on the day following the expiration of the ninety-day period after  
12 final adjournment of the general assembly that is allowed for submitting  
13 a referendum petition pursuant to article V, section 1 (3) of the state  
14 constitution (August 9, 2006, if adjournment sine die is on May 10,  
15 2006); except that, if a referendum petition is filed against this act or an  
16 item, section, or part of this act within such period, then the act, item,  
17 section, or part, if approved by the people, shall take effect on the date of  
18 the official declaration of the vote thereon by proclamation of the  
19 governor.