



Colorado Legislative Council Staff Fiscal Note
REVISED NO FISCAL IMPACT

(replaces fiscal note dated February 8, 2010)

Drafting Number: LLS 10-0386

Date: March 17, 2010

Prime Sponsor(s): Sen. Carroll M.
Rep. Primavera

Bill Status: House Judiciary

Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING UNREASONABLE INSURANCE CLAIMS SETTLEMENT PRACTICES.

Summary of Legislation

This *reengrossed* bill prohibits an insurance company from providing a financial incentive to a person to influence the person's decision to deny or delay a claim, or to cancel or rescind an insurance policy. In civil actions on claim denials, the court may instruct the jury that such financial incentives are prohibited. The bill is effective upon signature of the Governor, or upon becoming law without his signature.

Assessment

SB10-076 is assessed at no fiscal impact. A new cause of action in civil court is created but this is not expected to generate many new cases. For cases where the plaintiff is attempting to determine whether a financial incentive was involved, additional time for discovery is anticipated, but this will occur primarily between the parties without the need for court intervention. As such, the impact to the Judicial Branch is seen as minimal and can be handled with existing resources.

Departments Contacted

Judicial

Regulatory Agencies