

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0891	Date: March 22, 2013
Prime Sponsor(s): Rep. Young Sen. Baumgardner	Bill Status: House Business, Labor, Economic and Workforce Development
	Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING SECONDARY AGENCIES UNDER THE "FRAUDULENT CLAIMS AND ARSON REPORTING ACT".

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill expands the Fraudulent Claims and Arson Reporting Act to allow an insurer or person who has reason to believe that a fire loss may have been caused by arson or that any insurance claim may be fraudulent to report that information to a secondary agency. The bill defines secondary agency as any for-profit or nonprofit organization funded directly or indirectly by insurers that collects and disseminates information on insurance fraud. To qualify as a secondary agency, an organization must be designated by the Commissioner of Insurance. Secondary agencies must maintain the confidentiality of the information collected except as specifically permitted in statute. Secondary agencies are granted immunity from civil liability when disseminating the information.

State Expenditures

The Commissioner of Insurance in the Department of Regulatory Agencies will designate by rule the organizations that will serve as secondary agencies under the bill. This requires a minimal amount of work for the Division of Insurance and can be addressed within existing appropriations.

Departments Contacted

Natural Resources

Public Safety

Regulatory Agencies