

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0801
Prime Sponsor(s): Rep. Pabon
 Sen. King

Date: February 22, 2013
Bill Status: House Business, Labor, Economic and
 Workforce Development
Fiscal Analyst: Alex Schatz (303-866-4375)

TITLE: CONCERNING PERMITTING AN INSURER TO CONDUCT INSURANCE TRANSACTIONS IN A FOREIGN LANGUAGE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Diversions Diversion from the General Fund to the Division of Insurance Cash Fund	\$9,142	\$9,142
State Expenditures Cash Funds Division of Insurance Cash Fund	\$9,142	\$9,142
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: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill authorizes, but does not require, the use of a language other than English in insurance policies, insurance-related documents, insurance advertising, and insurance transactions. Non-English language insurance policies must be translated from an English language policy, and the English language version is controlling in the event of a dispute.

Background

Under current law, certain insurance products (*e.g.*, bail bonds) require interpretation, translation, or other access strategies for consumers with limited English proficiency. In current practice in the insurance market, a range of products are translated for non-English proficient customers, even in situations where translation is not compulsory.

State Diversion

This bill diverts \$9,142 from the General Fund in FY 2013-14 and \$9,142 in FY 2014-15. This revenue diversion occurs because the bill increases costs in the Department of Regulatory Agencies, Division of Insurance, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

State Expenditures

Implementation of the bill increases costs in the Division of Insurance (division) in the Department of Regulatory Agencies (DORA) by \$9,142 each fiscal year.

Current law requires that insurers submit a listing and certification of new policy documents prior to their use. The bill requires such a certification from insurers for foreign language translations of insurance documents. Based on current practices, at least 1,200 filings are expected each year. Each filing takes 15 minutes to log and review, totaling 300 hours for a financial analyst. The increase in workload results in annual costs of \$9,142 for the division.

A one-time increase in workload to conduct rulemaking clarifying filing requirements will require 15 hours for division staff. This rulemaking will not require new appropriations.

State Appropriations

For FY 2013-14, the bill requires a cash funds appropriation of \$9,142 to the Department of Regulatory Agencies from the Division of Insurance Cash Fund.

Departments Contacted

Regulatory Agencies
Human Services
CoverColorado
Law

Personnel and Administration
Health Care Policy and Financing
Labor and Employment

Judicial
Corrections
Local Affairs