

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0526
Prime Sponsor(s): Rep. Ginal
 Sen. Kefalas

Date: January 23, 2013
Bill Status: House Business, Labor, Economic, and
 Workforce Development
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING INCREASED REGULATION OF PUBLIC INSURANCE ADJUSTERS
 BY THE COMMISSIONER OF INSURANCE.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue General Fund	<\$5,000	<\$10,000
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: January 1, 2014, if no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

Public adjusters negotiate with insurance companies on behalf of policyholders to settle claims for loss or damage usually on a contingency basis. In Colorado, there are 256 licensed public adjusters that are currently regulated to a limited extent. This bill increases the regulatory authority of the Commissioner of Insurance over public adjusters by adding them to the definition of insurance producers, which makes them subject to license suspension or revocation, as well as ethical standards, continuing education, and financial responsibility requirements. Catastrophic disaster is defined in the bill and a limit on compensation of 10 percent of any insurance settlement or proceeds for public adjusters are specified in the event of a catastrophic disaster.

State Revenue

This bill may result in increased General Fund revenue from violations of legal requirements to which public adjusters will now be subject. This amount is not expected to be significant in the near term so is estimated at less than \$5,000 in FY 2013-14 and less than \$10,000 in FY 2014-15.

State Expenditures

The Division of Insurance in the Department of Regulatory Agencies will implement this bill. This will include rulemaking which will be conducted within existing resources. The division may see an increase in enforcement actions but this is also expected to be conducted within existing resources.

Departments Contacted

Public Safety

Regulatory Agencies