HB1111_L.002

HOUSE COMMITTEE OF REFERENCE AMENDMENT
Committee on Business Affairs & Labor.

HB22-1111 be amended as follows:

Amend printed bill, page 2, strike line 2 and substitute:

"SECTION 1. In Colorado Revised Statutes, 10-4-110.8, amend (3) introductory portion and (3)(g); and add (3)(h), (3)(i), (13)."

Page 2, line 7, after "concerning" insert "total".

Page 2, strike lines 8 and 9 and substitute "scenarios resulting from wildfire disasters - definitions - rules. (3) For the purposes of AS USED in this section, unless the context otherwise requires:

(g) "Recoverable depreciation" means the difference between the cost to replace insured property and the actual cash value of the property. (I) "OWNER-OCUPIED RESIDENCE" MEANS A RESIDENCE THAT IS OCCUPIED PRIMARILY FOR THE USE OF THE OWNER AND THE OWNER'S DESIGNEES.

(II) "OWNER-OCUPIED RESIDENCE" INCLUDES, BUT IS NOT LIMITED TO, AN OWNER-OCUPIED PRIMARY RESIDENCE.

(III) "OWNER-OCUPIED RESIDENCE" DOES NOT INCLUDE ANY PROPERTY THAT IS INSURED UNDER A COMMERCIAL INSURANCE OR AGROBUSINESS POLICY.

(h) "RECOVERABLE DEPRECIATION" MEANS THE DIFFERENCE BETWEEN THE COST TO REPLACE INSURED PROPERTY AND THE ACTUAL CASH VALUE OF THE PROPERTY.

(i) "WILDFIRE" MEANS AN UNWANTED FIRE, INCLUDING ANY:

(I) UNAUTHORIZED AND ACCIDENTALLY HUMAN-CAUSED FIRE;

(II) ESCAPED PRESCRIBED FIRE PROJECT; AND

(III) OTHER FIRE WHERE THE OBJECTIVE IS TO PUT THE FIRE OUT.

(13) IN OFFERING, ISSUING, OR RENEWING A PROPERTY AND CASUALTY INSURANCE".

Page 2, strike lines 13 through 20 and substitute "EVENT OF A TOTAL LOSS OF AN OWNER-OCUPIED RESIDENCE, INCLUDING THE CONTENTS OF THE OWNER-OCUPIED RESIDENCE, WHICH LOSS OCCURS AS A RESULT OF A WILDFIRE DISASTER THAT THE GOVERNOR DECLARES PURSUANT TO SECTION 24-33.5-704:

(a) A POLICY OF HOMEOWNERS INSURANCE MAY NOT LIMIT OR DENY A PAYMENT OF THE BUILDING CODE UPGRADE COST, INCLUDING A PAYMENT OF ANY EXTENDED REPLACEMENT COST AVAILABLE UNDER THE POLICY COVERAGE, FOR A POLICYHOLDER'S STRUCTURE THAT WAS A TOTAL LOSS ON THE BASIS THAT THE POLICYHOLDER DECIDED TO REBUILD..."
IN A NEW LOCATION OR TO PURCHASE AN EXISTING STRUCTURE IN A NEW LOCATION IF THE POLICY OTHERWISE COVERS THE REPLACEMENT COST OR BUILDING CODE UPGRADE COST; EXCEPT THAT THE MEASURE OF INDEMNITY MAY NOT EXCEED THE REPLACEMENT COST, BUILDING CODE UPGRADE COST, OR EXTENDED REPLACEMENT COST FOR REPAIRING, REBUILDING, OR REPLACING THE STRUCTURE AT THE ORIGINAL LOCATION OF THE LOSS.

(b) IF A POLICY OF HOMEOWNERS INSURANCE REQUIRES A POLICYHOLDER TO REPAIR, REBUILD, OR REPLACE DAMAGED OR LOST PROPERTY IN ORDER TO COLLECT THE FULL REPLACEMENT COST FOR THE PROPERTY, THE INSURER, SUBJECT TO THE POLICY LIMITS, SHALL:

Reletter succeeding paragraphs accordingly.

Page 2, line 23, after "INSURED" insert "OWNER-OCUPIED".

Page 3, line 2, strike "(13)(a)(I)" and substitute "(13)(b)(I)".

Page 3, strike lines 5 through 11 and substitute "Diligence, encounters unavoidable delays in obtaining a construction permit, lacks necessary construction materials, lacks available contractors to perform necessary work or encounters other circumstances beyond the policyholder's control. This subsection (13)(b)(II) does not prohibit an insurer from allowing a policyholder additional time to collect the full replacement cost for lost or damaged property or for additional living expenses."

Page 3, line 15, strike "THIRTY-SIX" and substitute "TWENTY-FOUR".

Page 3, strike lines 17 through 26 and substitute "Opportunity to twice extend such period by six months if the policyholder, acting in good faith and with reasonable diligence, encounters a delay or delays in receiving necessary permit approvals for, or reconstruction of, the insured owner-occupied residence, which delays are beyond the control of the policyholder."

(d) THE POLICY MUST PROVIDE THAT, NOTWITHSTANDING SUBSECTION (11)(c) OF THIS SECTION, TO REPLACE PROPERTY AND RECEIVE RECOVERABLE DEPRECIATION ON THAT PROPERTY, AN INSURER SHALL ALLOW THE POLICYHOLDER THE GREATER OF:

(I) At least three hundred sixty-five days after the expiration of ALE; or

(II) Thirty-six months after the insurer provides the policyholder the first payment toward the actual cash value of
SUCH LOSS.

Reletter succeeding paragraphs accordingly.

Page 4, line 2, after "INSURED" insert "OWNER-OCCUPIED".

Page 4, line 4, after "INSURED" insert "OWNER-OCCUPIED".

Page 4, strike line 12 and substitute "REPLACEMENT RESIDENCE IF THE COVERAGE LIMIT THAT APPLIES TO THE POLICYHOLDER'S OWNER-OCCUPIED RESIDENCE IS INSUFFICIENT TO PAY FOR REBUILDING OR REPLACING THE OWNER-OCCUPIED PRIMARY RESIDENCE.".

Page 4, strike lines 14 through 25 and substitute "CLAIM UNDER AN ISSUED POLICY, AN INSURER SHALL PROVIDE TO THE POLICYHOLDER:

(I) APPROPRIATE CONTACT INFORMATION THAT ALLOWS FOR DIRECT CONTACT WITH EITHER AN EMPLOYEE OF THE INSURER OR A REPRESENTATIVE WHO IS CAPABLE OF ELEVATING COMPLAINTS OR INQUIRIES TO AN EMPLOYEE OF THE INSURER AND WHO IS NOT A CONTRACTED TEMPORARY ADJUSTER;

(II) AT LEAST ONE MEANS OF COMMUNICATION DURING REGULAR BUSINESS HOURS; AND

(III) A WRITTEN STATUS REPORT IF, WITHIN A SIX-MONTH PERIOD, THE INSURED IS ASSIGNED A THIRD OR SUBSEQUENT ADJUSTER TO BE PRIMARILY RESPONSIBLE FOR A CLAIM. THE WRITTEN STATUS REPORT MUST INCLUDE A SUMMARY OF ANY DECISIONS OR ACTIONS THAT ARE SUBSTANTIALLY RELATED TO THE DISPOSITION OF A CLAIM, INCLUDING THE AMOUNT OF LOSSES TO STRUCTURES OR CONTENTS, THE RETENTION OF CONSULTATION OF DESIGN OR CONSTRUCTION PROFESSIONALS, THE AMOUNT OF COVERAGE FOR LOSSES TO STRUCTURES OR CONTENTS, AND ALL ITEMS OF DISPUTE.".

Page 4, strike line 27 and substitute "EXPERIENCES A TOTAL LOSS OF AN OWNER-OCCUPIED RESIDENCE THAT WAS DOCUMENTED AS BEING".

Page 5, strike lines 3 and 4 and substitute "A RESULT OF A WILDFIRE DISASTER THAT THE GOVERNOR DECLARES PURSUANT TO SECTION 24-33.5-704, THE INSURER SHALL:".

Page 5, line 6, strike "EIGHTY" and substitute "SIXTY-FIVE".

Page 5, line 8, strike "VALUE" and substitute "LIMIT".
"(I) Acceptance of the money described in subsection (14)(a) of this section does not reduce or in any way change the benefits available under the policy;".

Page 5, line 19, after "(c)" insert "(I)".

Page 5, line 22, strike "(I)" and substitute "(A)".

Page 5, strike lines 25 and 26 and substitute:

"(B) Provide payment for any covered and undisputed items within thirty days after receiving the inventory.

   (II) The commissioner shall adopt rules to simplify the process for policyholders to submit an inventory for personal property losses and expedite reimbursement for such losses.".

Page 6, line 1, strike "THIRTY" and substitute "SIXTY".

Page 6, line 3, after "DEBRIS;" insert "EXCEPT THAT, IN CASES WHERE DEBRIS REMOVAL IS CONDUCTED BY, OR IN COORDINATION WITH, GOVERNMENTAL ENTITIES, PAYMENT FOR COVERED COSTS FOR REMOVAL OF DEBRIS WILL BE PROVIDED WITHIN A REASONABLE AMOUNT OF TIME;".

Page 6, line 10, strike "REIMBURSE" and substitute "PAY".

Page 6, line 11, strike "TEN" and substitute "TWENTY".

Page 6, line 12, strike "THE" and substitute "SUCH".

Page 6, line 13, strike "OBLIGES" and substitute "OBLIGATES".

Page 6, line 16, strike "REIMBURSE" and substitute "PAY".

Page 6, line 23, after "OF" insert "SUBSECTIONS (13) TO (15) OF".

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