

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 13-0891.02 Jerry Barry x4341

**HOUSE BILL 13-1262**

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**HOUSE SPONSORSHIP**

**Young**, DelGrosso, Nordberg, Williams

**SENATE SPONSORSHIP**

**Baumgardner**, Cadman, Jahn, Tochtrop

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**House Committees**

Business, Labor, Economic, & Workforce Development

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING SECONDARY AGENCIES UNDER THE "FRAUDULENT**  
102      **CLAIMS AND ARSON REPORTING ACT".**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

Current law requires insurers and authorizes other persons to report to an authorized agency when a fire may have been intentionally started or when a fire claim may be fraudulent. The bill allows a report to be made with a secondary agency designated by the commissioner of insurance and funded by insurers. The bill requires secondary agencies to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

hold information received confidential except as specifically permitted. The bill grants the same immunity currently given to authorized agencies to secondary agencies.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-4-1002, **add** (6)  
3 as follows:

4 **10-4-1002. Definitions.** As used in this part 10, unless the  
5 context otherwise requires:

6 (6) "SECONDARY AGENCY" MEANS ANY FOR-PROFIT OR NONPROFIT  
7 ORGANIZATION FUNDED DIRECTLY OR INDIRECTLY BY INSURERS THAT  
8 ENGAGES IN THE GATHERING AND DISSEMINATION OF INFORMATION  
9 CONCERNING INSURANCE FRAUD AND THAT HAS AN ESTABLISHED PROCESS  
10 IN PLACE TO AFFIRMATIVELY FORWARD INFORMATION TO AN AUTHORIZED  
11 AGENCY FOR FURTHER INVESTIGATION AND PROSECUTION. THE  
12 COMMISSIONER, BY RULE, SHALL DESIGNATE WHICH ORGANIZATIONS ARE  
13 SECONDARY AGENCIES.

14 **SECTION 2.** In Colorado Revised Statutes, 10-4-1003, **amend**  
15 (1) (a), (1) (c) introductory portion, (4), (5), and (6) as follows:

16 **10-4-1003. Disclosure of information.** (1) (a) When any person  
17 or insurer has reason to believe that a fire loss may have been caused by  
18 other than accidental means or that any insurance claim may be  
19 fraudulent, then such person may, and such insurer shall, notify an  
20 authorized agency OR A SECONDARY AGENCY.

21 (c) No insurer, ~~or~~ authorized agency, OR SECONDARY AGENCY  
22 shall intentionally refuse to release any relevant information concerning  
23 a possible nonaccidental fire loss or fraudulent insurance act, upon  
24 request, to:

1 (4) Any authorized agency OR SECONDARY AGENCY provided with  
2 relevant information or evidence pursuant to subsection (1) or (2) of this  
3 section may release such information to any other authorized agency.

4 (5) Any insurer providing information to an authorized OR  
5 SECONDARY agency or agencies pursuant to subsection (1) or (2) of this  
6 section may, in writing, request such agency to release to such insurer  
7 specific, relevant information or evidence relating to the fire loss or other  
8 claim under investigation. Such agency may, in its sole discretion, and  
9 with such restrictions as such agency deems appropriate, release such  
10 information to such insurer.

11 (6) Any authorized agency OR SECONDARY AGENCY receiving a  
12 notice or other information pursuant to this part 10 may release such  
13 notice or other information to other law enforcement agencies.

14 **SECTION 3.** In Colorado Revised Statutes, 10-4-1004, **amend**  
15 (1) as follows:

16 **10-4-1004. Evidence - confidential.** (1) Any authorized agency,  
17 SECONDARY AGENCY, or insurer which receives any information furnished  
18 pursuant to this part 10 shall hold the information in confidence except  
19 as provided in section 10-4-1003 (4) or until such time as its release is  
20 required pursuant to a civil or criminal proceeding.

21 **SECTION 4.** In Colorado Revised Statutes, 10-4-1005, **amend**  
22 (1), (2), and (3) as follows:

23 **10-4-1005. Immunity.** (1) In the case of actions taken under this  
24 part 10, and except where information is furnished with knowledge that  
25 the information is false or with reckless disregard for its truth or falsity,  
26 there shall be no civil penalty or damages on the part of, and no claim for  
27 relief shall be brought against, any person, insurer, or authorized agency,

1 OR SECONDARY AGENCY for furnishing information or taking other action  
2 pursuant to the provisions of this part 10.

3 (2) Every person, insurer, ~~and~~ authorized agency, AND  
4 SECONDARY AGENCY shall be immune from civil liability when acting in  
5 good faith to cooperate with, furnish evidence to or on behalf of, provide  
6 information to, or solicit or receive information from, any of the  
7 following with regard to an actual or suspected fraudulent insurance act:

8 (a) An agency of the federal or any state, county, or municipal  
9 government that is involved in the detection, prosecution, or prevention  
10 of arson or insurance fraud;

11 (b) ANY SECONDARY AGENCY;

12 ~~(b)~~ (c) Any employee or agent of an agency listed in paragraph (a)  
13 OR (b) of this subsection (2); and

14 ~~(c)~~ (d) Another insurer, if acting in accordance with section  
15 10-4-1003 (8) (c) solely for the purpose of detecting, investigating,  
16 preventing, or prosecuting an actual or suspected fraudulent insurance act.  
17 Information so provided shall not be used for underwriting or rating  
18 purposes except in connection with an application or policy under which  
19 a fraudulent insurance act was committed.

20 (3) Every person, insurer, ~~and~~ authorized agency, AND  
21 SECONDARY AGENCY shall be immune from civil liability when acting in  
22 good faith to comply with a court order to provide evidence or testimony  
23 with regard to an actual or suspected fraudulent insurance act; except that  
24 such immunity shall not apply to a person or insurer that has committed,  
25 or has conspired in or aided and abetted the commission of, such  
26 fraudulent insurance act.

27 **SECTION 5. Act subject to petition - effective date.** This act

1 takes effect at 12:01 a.m. on the day following the expiration of the  
2 ninety-day period after final adjournment of the general assembly (August  
3 7, 2013, if adjournment sine die is on May 8, 2013); except that, if a  
4 referendum petition is filed pursuant to section 1 (3) of article V of the  
5 state constitution against this act or an item, section, or part of this act  
6 within such period, then the act, item, section, or part will not take effect  
7 unless approved by the people at the general election to be held in  
8 November 2014 and, in such case, will take effect on the date of the  
9 official declaration of the vote thereon by the governor.