



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1205: IMPLEMENT FAIR ACCESS TO INSURANCE REQMNTS PLANS

Prime Sponsors:

Rep. McCluskie; Brown
Sen. Amabile; Roberts

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0582

Version: Final Fiscal Note

Date: May 27, 2025

Fiscal note status: This final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill clarifies the governing status of the Fair Access to Insurance Requirements Plan Association and grants immunity to those acting on behalf of the association for certain actions.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- Minimal State Revenue

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill clarifies that the Fair Access to Insurance Requirements (FAIR) Plan Association is not a government-operated entity or an insurance company. Additionally, it grants immunity to the association's members, board of directors, and other individuals for any action taken in the performance of their duties. Policyholders may, however, file action against the association for breach of contract or breach of the common law covenant of good faith and fair dealing.

Background

The FAIR Plan Association is a program designed to provide property coverage for homeowners and businesses when insurance coverage is unavailable through traditional means. It was established to address situations where insurance companies may refuse coverage due to high-risk factors, such as the property's location, claim history, or vulnerability to certain perils such as wildfires or hail.

State Revenue and Expenditures

The bill minimally impacts revenue and workload in the Judicial Department and the Department of Regulatory Agencies beginning in FY 2025-26, as described below.

Judicial Department

If individuals bring action against the FAIR Plan Association for breaching contract, revenue will increase from civil case filing fees and workload will increase for trial courts in the Judicial Department. The fiscal note assumes that the FAIR Plan Association will have similar levels of compliance as under current law and any increase will be minimal. Revenue from filing fees is subject to TABOR.

Department of Regulatory Agencies

Workload in the Division of Insurance in DORA may minimally increase to respond to inquiries and complaints related to the FAIR Plan Association or Commissioner of Insurance. This workload can be accomplished within existing appropriations.

Effective Date

The bill was signed into law by the Governor and took effect on April 17, 2025.

State and Local Government Contacts

Judicial

Regulatory Agencies

Law