

**PLEASE SUPPORT SB 204, Vendor lawsuit abuse
Senator Priola and Representative Lawrence**

- Private passenger auto insurers are seeing double digit increases. Auto insurers are struggling to keep up with the skyrocketing claim costs that barely break even with premium collected. Loss ratios have climbed back to the level of the old no-fault insurance days. There are many factors driving these increases – distracted drivers, gas prices are lower and people are driving more; the severity of accidents has increased; roads are in need of repair; and litigation issues.
- The litigation environment plays a huge role in the auto increases in Colorado. SB 204 is addressing the vendor tax in the litigation environment.
- SB 204 does two things - eliminates the ability of a third party from claiming unreasonable delay or denial of a claim for **ALL** property and casualty insurance and establishes a notice requirement for these claims.
 - The heart of SB 204 strikes “on behalf of” from the statutes and eliminates the vendor tax of double damages and attorney’s fees for all property and casualty claims. This vendor tax has been raised by roofers, in the context of construction defects, auto body shops that claim unreasonable delay or denial of payment of an insurance claim.
 - SB204 keeps the law the status quo for health insurance and only removes the “on behalf of” phrase for property and casualty insurance.
- The other part of the bill allows a notice requirement for property and casualty claims as a last effort to resolve matters before litigation.