

**Colorado Statutes**

**Title 26. HUMAN SERVICES CODE**

**Article 13. Child Support Enforcement Act**

*Current through Chapter 385 of the 2016 Legislative Session*

**§ 26-13-122.7. [Effective 1/1/2017] Administrative lien and attachment of insurance claim payments, awards, and settlements - reporting - rules**

(1)

(a)

The state child support enforcement agency, or its agent, may issue a notice of administrative lien and attachment to any person, insurance company, or agency to attach insurance claim payments, awards, or settlements due to an obligor who is responsible for the past-due support of a child or children on whose behalf an obligee is receiving services from the state's child support enforcement agency or a delegate child support enforcement unit pursuant to this article. The state child support enforcement agency and insurance companies may participate in the child support lien network insurance data match, or a similar program, to facilitate discovery of potential claim payments, awards, or settlements. The general assembly encourages the state child support enforcement agency and insurance companies to participate in the child support lien network insurance data match, or a similar program, for the benefit of the children of Colorado.

(b)

On or before January 30, 2018, the department of human services shall submit a report to the health and human services committee of the senate and the public health care and human services committee of the house of representatives, or any successor committees, concerning the results of the voluntary participation by insurance companies in the child support lien network insurance data match pursuant to paragraph (a) of this subsection (1).

(c)

(D)

For the purposes of this section, an insurance claim payment, award, or settlement is limited to an individual who receives moneys in excess of one thousand dollars after making a claim for payment under an insurance policy for:

(A)

Personal injury under a policy for liability;

(B)

Wrongful death; or

(C)

Workers' compensation.

(II)

For the purposes of this section, an insurance claim payment:

(A)

Only includes the portion of the claim, award, or settlement payable to the obligor or the obligor's representative. Any portion of an insurance claim payment that replaces wages or provides income in lieu of wages is subject to the limitations set forth in section 13-54-104(2), C.R.S.; and

(B)

Does not include any moneys payable as attorney fees, witness fees, court costs, reasonable litigation expenses, documented unpaid expenses incurred for medical treatment causally related to the claim, or any portion of a claim based on damage or a loss of real or personal property.

(III)

(A)

Upon the request of an insurance company, an individual with an insurance claim payment, award, or settlement governed by this section shall provide to the insurer his or her current address, date of birth, and social security number;

(B)

The insurance company making the request may inform the claimant that the request is being made in accordance with this section for the purpose of assisting the state's child support enforcement agency in enforcing child support liens pursuant to section 14-10-122, C.R.S.; and

(C)

An insurer shall not make payment to a claimant who refuses to provide the information required by this section. An insurer that declines to make payment on this basis is

exempt from suit and immune to liability under this section and any other section in a common law action in law or equity.

(IV)

The state board shall promulgate rules concerning appropriate procedures that the state department or the state's child support enforcement agency shall follow regarding certain insurance claim payments, awards, or settlements, including claim payments, awards, or settlements to multiple parties. The rules must identify factors the state's child support enforcement agency shall consider in determining whether to attach the claim payment, award, or settlement, or any portion of such claim payment, award, or settlement.

(2)

An insurance company, agency, or central reporting organization, or the directors, agents, or employees of an insurer, insurance company, or central reporting organization, are not liable, and no cause of action accrues, for damages based upon any actions or omissions taken or made in good faith pursuant to this section.

(3)

The administrative lien and attachment require the person, insurance company, or agency to withhold the insurance claim payment, award, or settlement. An administrative lien and attachment for the collection from insurance claim payments, awards, or settlements for the payment of past-due child support obligations or past-due maintenance or maintenance when combined with child support obligations is continuing and remains in effect until such amount is satisfied or is released in writing by the state child support enforcement agency.

(4)

In order to attach and collect insurance claim payments, awards, or settlements for the payment of past-due child support or past-due maintenance or maintenance when combined with child support obligations, the state child support enforcement agency is authorized to serve, by first-class mail or electronically, if mutually agreed upon, a notice of administrative lien and attachment on any person, insurance company, or agency holding insurance claim payments, awards, or settlements that are owed to an obligor. A copy of the administrative lien and attachment shall be provided to the obligor and must include information on the obligor's right to object to the administrative lien and attachment and to request an administrative review pursuant to rules promulgated by the state board.

(5)

Any remittance of moneys deducted or withheld by a person, insurance company, or agency pursuant to this section must include the obligor's name and identifying number as assigned by the state child support enforcement agency or the family support registry. The moneys must be remitted to the family support registry pursuant to section 26-13-114 .

(6)

The state child support enforcement agency may recover from the moneys collected any fees assessed upon the state child support enforcement agency in its efforts to attach insurance claim payments, awards, and settlements.

(7)

This section applies to all child support obligations and to all maintenance or maintenance when combined with child support obligations that were ordered as part of any proceeding, regardless of when the order was entered. All child support obligors are subject to the notice of administrative lien and attachment as described in subsection (4) of this section.

(8)

A lien or assignment perfected on any insurance claim payment, award, or settlement prior to the receipt of the administrative lien and attachment issued by the state child support enforcement agency shall be honored prior to the administrative lien and attachment issued by the state child support enforcement agency. The state child support enforcement agency shall receive the balance, if any, of the remaining insurance claim payment, award, or settlement up to the amount owed by the obligor.

**Cite as C.R.S. § 26-13-122.7**

**History.** Added by 2016 Ch. 157, §3, eff. 1/1/2017.

**Note:** 2016 Ch. 157, was passed without a safety clause. See Colo. Const. art. V, § 1(3).