



Colorado  
Legislative  
Council  
Staff

SB17-182

REVISED  
FISCAL NOTE

(replaces fiscal note dated February 21, 2017)

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**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

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**Drafting Number:** LLS 17-0909

**Date:** April 18, 2017

**Prime Sponsor(s):** Sen. Gardner  
Rep. Neville P.; Willett

**Bill Status:** House SVMA

**Fiscal Analyst:** Erin Reynolds (303-866-4146)

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**BILL TOPIC:** UNINSURED MOTOR VEHICLE & MEDICAL COVERAGE

### Summary of Legislation

The **reengrossed** bill clarifies that an insurer is not required to reimburse a policyholder for an amount that exceeds actual damages caused during a collision covered by an uninsured or under-insured motorist (UM/UIM) coverage policy, and defines UI/UIM vehicles. The maximum liability of the insurer is the lesser of:

- the difference between the limit of UM/UIM coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or
- the amount of damages sustained but not recovered.

The bill also allows UM/UIM policies to contain provisions that prohibit stacking the limits of more than one policy, if the provisions are included in a single policy covering multiple vehicles or in multiple policies issued by one insurer or by insurers under common ownership or management. However, stacking of UM/UIM policies issued to an insured by different companies or to an unrelated person is permitted. The Insurance Commissioner in the Department of Regulatory Agencies must accept policies that prohibit stacking the limits of more than one UI/UIM coverage policy.

### Background

Automobile owners in Colorado are required to have liability insurance that will cover a minimum of \$25,000 in bodily injury per person, \$50,000 in bodily injury per accident, and \$15,000 in property damage.

**Uninsured motorist coverage for bodily injury.** UM/UIM coverage pays for medical and other expenses from bodily injuries that result from an accident where the at-fault driver does not have sufficient liability coverage to cover the loss. Under current law, all insurers in the state must provide UM/UIM coverage in an amount equal to the policyholder's current level of liability coverage for bodily injury, unless this coverage is rejected by the policyholder in writing. A policyholder making such a rejection may opt to carry a lower level of coverage or reject coverage completely.

**Assessment**

The bill affects consumer insurance contracts but does not affect the revenue or expenditures of any state agency or local government. It is therefore assessed as having no fiscal impact.

**Effective Date**

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed. The bill applies to events causing liability covered by an uninsured or under-insured motor vehicle insurance policy on or after this date.

**State and Local Government Contacts**

Information Technology  
Personnel  
Regional Transportation District

Law  
Public Safety  
Regulatory Agencies