

CHAPTER 45

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**INSURANCE**

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**HOUSE BILL 00-1292**

BY REPRESENTATIVE Kester;  
also SENATOR Hillman.

**AN ACT**

CONCERNING AN AUTHORIZATION FOR CREDITORS TO ISSUE CREDIT INSURANCE FOR PERIODS SHORTER THAN THE FULL TERM OF INDEBTEDNESS.

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

**SECTION 1.** 10-10-103, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**10-10-103. Definitions.** As used in this article, unless the context otherwise requires:

(7) "TRUNCATED COVERAGE" MEANS CREDIT INSURANCE THAT PROVIDES A TERM OF INSURANCE COVERAGE FOR A PERIOD THAT IS SHORTER THAN THE FULL TERM OF THE INDEBTEDNESS REMAINING AT THE TIME THE INSURANCE COVERAGE IS ELECTED. THE TERM DOES NOT INCLUDE CREDIT INSURANCE COVERAGE THAT TERMINATES ON ATTAINMENT OF A SPECIFIC AGE.

**SECTION 2.** Article 10 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**10-10-119. Truncated coverage.** (1) IF THE DEBTOR ELECTS TRUNCATED COVERAGE, AT THE TIME OF ELECTION THE CREDITOR SHALL INFORM THE DEBTOR IN WRITING OF THE TERM OF THE INSURANCE COVERAGE AND THAT THE COVERAGE WILL TERMINATE PRIOR TO THE SCHEDULED MATURITY DATE OF THE INDEBTEDNESS.

(2) A GROUP CERTIFICATE OR INDIVIDUAL POLICY PROVIDING TRUNCATED CREDIT INSURANCE COVERAGE SHALL DISCLOSE THE TERM OF THE TRUNCATED INSURANCE COVERAGE AND SPECIFY THAT THE TERM OF INSURANCE COVERAGE WILL TERMINATE PRIOR TO THE SCHEDULED MATURITY DATE OF THE INDEBTEDNESS. THE TERMINATION

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

DISCLOSURE SHALL APPEAR IN PROMINENT TYPE ON THE FIRST PAGE OF THE GROUP CERTIFICATE OR INDIVIDUAL POLICY.

**SECTION 3. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: March 17, 2000