

## CHAPTER 413

---

**INSURANCE**


---

## SENATE BILL 07-256

BY SENATOR(S) Shaffer, Tochtrop, Williams, and Fitz-Gerald;  
also REPRESENTATIVE(S) Madden.

## AN ACT

CONCERNING THE PAYMENT OF UNINSURED MOTOR VEHICLE INSURANCE AS EXCESS TO OTHER  
INSURANCE.

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

**SECTION 1.** 10-4-609 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

**10-4-609. Insurance protection against uninsured motorists - applicability.**

(1) (c) THE COVERAGE DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (1) SHALL BE IN ADDITION TO ANY LEGAL LIABILITY COVERAGE AND SHALL COVER THE DIFFERENCE, IF ANY, BETWEEN THE AMOUNT OF THE LIMITS OF ANY LEGAL LIABILITY COVERAGE AND THE AMOUNT OF THE DAMAGES SUSTAINED, EXCLUDING EXEMPLARY DAMAGES, UP TO THE MAXIMUM AMOUNT OF THE COVERAGE OBTAINED PURSUANT TO THIS SECTION. A SINGLE POLICY OR ENDORSEMENT FOR UNINSURED OR UNDERINSURED MOTOR VEHICLE COVERAGE ISSUED FOR A SINGLE PREMIUM COVERING MULTIPLE VEHICLES MAY BE LIMITED TO APPLYING ONCE PER ACCIDENT. THE AMOUNT OF THE COVERAGE AVAILABLE PURSUANT TO THIS SECTION SHALL NOT BE REDUCED BY A SETOFF FROM ANY OTHER COVERAGE, INCLUDING, BUT NOT LIMITED TO, LEGAL LIABILITY INSURANCE, MEDICAL PAYMENTS COVERAGE, HEALTH INSURANCE, OR OTHER UNINSURED OR UNDERINSURED MOTOR VEHICLE INSURANCE.

**SECTION 2.** 10-4-609 (2), (4), and (5), Colorado Revised Statutes, are amended to read:

**10-4-609. Insurance protection against uninsured motorists - applicability.**

(2) ~~Prior to the time~~ BEFORE the policy is issued or renewed, the insurer shall offer the named insured the right to obtain ~~higher limits of~~ uninsured motorist coverage in accordance with its rating plan and rules AN AMOUNT EQUAL TO THE INSURED'S

---

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

BODILY INJURY LIABILITY LIMITS, but in no event shall the insurer be required to provide OFFER limits higher than the insured's bodily injury liability limits. ~~or one hundred thousand dollars per person and three hundred thousand dollars per accident, whichever is less. A policy may contain provisions which prohibit stacking the limits of more than one uninsured motorist coverage policy as provided in this section, if such provisions are included in a single policy covering multiple vehicles or in multiple policies issued by one insurer or an affiliated insurer, under common ownership or management, to an insured or to a resident relative of such insured. Such provisions shall not prohibit stacking of the uninsured or underinsured portions of a policy issued to an insured and a separate policy covering the insured which was not issued to the insured or a resident relative. For purposes of this subsection (2), underinsured motorist coverage is included in the term "uninsured motorist coverage" pursuant to subsection (4) of this section.~~

(4) Uninsured motorist coverage shall include coverage for damage for bodily injury or death ~~which~~ THAT an insured is legally entitled to collect from the owner or driver of an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle, the ownership, maintenance, or use of which is insured or bonded for bodily injury or death at the time of the accident. ~~but the limits of liability for bodily injury or death under such insurance or bonds are:~~

~~(a) Less than the limits for uninsured motorist coverage under the insured's policy; or~~

~~(b) Reduced by payments to persons other than an insured in the accident to less than the limits of uninsured motorist coverage under the insured's policy.~~

(5) The maximum liability of the insurer under the uninsured motorist coverage provided shall be the lesser of:

~~(a) The difference between the limit of uninsured motorist 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~~

~~(b) The amount of damages sustained, but not recovered.~~

**SECTION 3. Repeal.** 10-4-418 (2) (c), Colorado Revised Statutes, is repealed as follows:

**10-4-418. Enforcement procedures - penalties.** (2) (c) ~~The commissioner shall not find that a policy form, certificate, or contract of insurance or rider does not comply with the applicable requirements and standards of this title on the ground that it prohibits stacking the limits of more than one uninsured motorist coverage policy as provided in section 10-4-609. Such provisions to prevent stacking are in conformity with the public policy of this state, if such provisions are included in a single policy covering multiple vehicles or in multiple policies issued by one insurer or an affiliated insurer, under common ownership or management, to an insured or to a resident relative of such insured. Such provision shall not prohibit stacking of the uninsured or underinsured portions of a policy issued to an insured and a separate policy covering the insured which was not issued to the insured or a resident relative. For purposes of this paragraph (c), underinsured motorist coverage~~

is included in the term "uninsured motorist coverage" pursuant to section 10-4-609 (4).

**SECTION 4. Effective date - applicability.** This act shall take effect January 1, 2008, and shall apply to policies issued or renewed on or after the applicable effective date of this act.

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 1, 2007