

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0364.01 Renee Leone x2695

SENATE BILL 25-058

---

SENATE SPONSORSHIP

Snyder,

HOUSE SPONSORSHIP

(None),

---

Senate Committees  
Health & Human Services

House Committees

---

A BILL FOR AN ACT

101 CONCERNING A MODEL ACT TO PROVIDE A FRAMEWORK THAT ALLOWS  
102 INSURANCE COMPANIES TO GIVE REBATES THAT MEET SPECIFIED  
103 CRITERIA TO MAINTAIN CONSUMER PROTECTIONS.

---

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill creates the "Model Rebate Reform Act" to modernize the law concerning insurance rebates by recognizing new insurance products while maintaining necessary consumer protections. The bill allows an insurer or insurance producer to give a gift valued under \$250 in connection with the marketing, purchase, or retention of an insurance

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*



1           **10-3-1803. Definition.** AS USED IN THIS PART 18:

2           (1) "INSURANCE PRODUCER" HAS THE MEANING SET FORTH IN  
3 SECTION 10-2-103 (6).

4           **10-3-1804. Permissible gifts and prizes.** (1) AN INSURER, BY OR  
5 THROUGH ITS EMPLOYEE, AFFILIATE, INSURANCE PRODUCER, OR  
6 THIRD-PARTY REPRESENTATIVE, OR AN INSURANCE PRODUCER ACTING ON  
7 ITS OWN BEHALF, MAY:

8           (a) OFFER OR PROVIDE A GIFT IN CONNECTION WITH THE  
9 MARKETING, PURCHASE, OR RETENTION OF AN INSURANCE CONTRACT, AS  
10 LONG AS THE COST OF THE GIFT DOES NOT EXCEED TWO HUNDRED FIFTY  
11 DOLLARS PER YEAR PER PERSON; AND

12           (b) CONDUCT A RAFFLE OR DRAWING, AS LONG AS THERE IS NO  
13 PARTICIPATION COST TO ENTRANTS AND THE PRIZES ARE NOT VALUED IN  
14 EXCESS OF FIVE HUNDRED DOLLARS.

15           (2) A GIFT OR PRIZE GIVEN PURSUANT TO SUBSECTION (1) OF THIS  
16 SECTION MUST NOT BE IN THE FORM OF CASH.

17           **10-3-1805. Permissible value-added service or activity.** (1) AN  
18 INSURER, BY OR THROUGH ITS EMPLOYEE, AFFILIATE, INSURANCE  
19 PRODUCER, OR THIRD-PARTY REPRESENTATIVE, OR AN INSURANCE  
20 PRODUCER ACTING ON ITS OWN BEHALF, MAY OFFER OR PROVIDE, FOR FREE  
21 OR AT A DISCOUNTED PRICE, A PRODUCT OR SERVICE THAT RELATES TO OR  
22 IS GIVEN IN CONJUNCTION WITH AN INSURANCE POLICY IF THE PRODUCT OR  
23 SERVICE:

24           (a) IS PRIMARILY INTENDED TO EDUCATE ABOUT, ASSESS,  
25 MONITOR, CONTROL, MITIGATE, OR PREVENT RISK OF LOSS OF AN  
26 INDIVIDUAL'S LIFE, HEALTH, OR PROPERTY; OR

27           (b) HAS A NEXUS TO OR ENHANCES THE VALUE OF THE INSURANCE

1 BENEFITS.

2 (2) A PRODUCT OR SERVICE OFFERED OR PROVIDED PURSUANT TO  
3 THIS SECTION IS EXEMPT FROM THE LIMITATIONS SET FORTH IN SECTIONS  
4 10-3-1804 AND 10-3-1104 (1)(g).

5 **10-3-1806. Services for free or for less than fair market value.**

6 (1) AN INSURER, BY OR THROUGH ITS EMPLOYEE, AFFILIATE, INSURANCE  
7 PRODUCER, OR THIRD-PARTY REPRESENTATIVE, OR AN INSURANCE  
8 PRODUCER ACTING ON ITS OWN BEHALF, MAY OFFER OR PROVIDE A  
9 SERVICE NOT OTHERWISE IDENTIFIED UNDER SECTION 10-3-1805 FOR FREE  
10 OR FOR LESS THAN FAIR MARKET VALUE IF:

11 (a) THE SERVICE IS AT LEAST TANGENTIALLY RELATED TO AN  
12 INSURANCE CONTRACT OR THE ADMINISTRATION OF AN INSURANCE  
13 CONTRACT;

14 (b) RECEIPT OF THE SERVICE IS NOT CONTINGENT UPON THE  
15 PURCHASE OF INSURANCE; AND

16 (c) THE SERVICE IS OFFERED ON THE SAME TERMS TO ALL  
17 POTENTIAL INSURANCE CUSTOMERS.

18 (2) AN INSURER, BY OR THROUGH ITS EMPLOYEE, AFFILIATE,  
19 INSURANCE PRODUCER, OR THIRD-PARTY REPRESENTATIVE, OR AN  
20 INSURANCE PRODUCER ACTING ON ITS OWN BEHALF, THAT OFFERS OR  
21 PROVIDES A SERVICE UNDER THIS SECTION FOR FREE OR FOR LESS THAN  
22 FAIR MARKET VALUE SHALL, BEFORE THE PURCHASE OF INSURANCE,  
23 RECEIPT OF A QUOTE FOR INSURANCE, OR DESIGNATION OF AN AGENT OF  
24 RECORD, DISCLOSE CONSPICUOUSLY IN WRITING TO THE RECIPIENT THAT  
25 RECEIPT OF THE SERVICE IS NOT CONTINGENT ON THE PURCHASE OF  
26 INSURANCE.

27 **10-3-1807. Rules.** THE COMMISSIONER MAY ADOPT RULES AS

1 NECESSARY TO EFFECTUATE THE PROVISIONS OF THIS PART 18, INCLUDING  
2 ADJUSTING THE FINANCIAL LIMITATIONS SET FORTH IN SECTION 10-3-1804  
3 (1) AS NECESSARY FOR INFLATION.

4 **SECTION 2.** In Colorado Revised Statutes, 10-3-1104, **amend**  
5 (1)(g) as follows:

6 **10-3-1104. Unfair methods of competition - unfair or deceptive**  
7 **practices.** (1) The following are defined as unfair methods of  
8 competition and unfair or deceptive acts or practices in the business of  
9 insurance:

10 (g) Rebates: Except as PROVIDED IN PART 18 OF THIS ARTICLE 3 OR  
11 AS otherwise expressly provided by law, knowingly permitting, or  
12 offering to make, or making any contract of insurance or agreement as to  
13 such contract, other than as plainly expressed in the insurance contract  
14 issued thereon, or paying, ~~or~~ allowing, or giving, or offering to pay,  
15 allow, or give, directly or indirectly, as inducement to such insurance or  
16 annuity, any rebate of premiums payable on the contract, or any special  
17 favor or advantage in the dividends or other benefits ~~thereon~~ ON THE  
18 CONTRACT OR ANNUITY, or any valuable consideration or inducement  
19 whatever not specified in the contract; or giving, ~~or~~ selling, or purchasing,  
20 or offering to give, sell, or purchase, as inducement to such insurance  
21 contract or annuity or in connection ~~therewith~~ WITH THE INSURANCE  
22 CONTRACT OR ANNUITY, any stocks, bonds, or other securities of any  
23 insurance company or other corporation, association, or partnership, or  
24 any dividends or profits accrued ~~thereon~~ ON THE STOCKS, BONDS, OR  
25 OTHER SECURITIES, or anything of value whatsoever not specified in the  
26 contract;

27 **SECTION 3. Act subject to petition - effective date -**

1     **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
2     the expiration of the ninety-day period after final adjournment of the  
3     general assembly; except that, if a referendum petition is filed pursuant  
4     to section 1 (3) of article V of the state constitution against this act or an  
5     item, section, or part of this act within such period, then the act, item,  
6     section, or part will not take effect unless approved by the people at the  
7     general election to be held in November 2026 and, in such case, will take  
8     effect on the date of the official declaration of the vote thereon by the  
9     governor.

10           (2) This act applies to conduct occurring on or after the applicable  
11     effective date of this act.