

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0364.01 Renee Leone x2695

**SENATE BILL 25-058**

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**SENATE SPONSORSHIP**

**Snyder,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**  
Health & Human Services

**House Committees**

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**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.**

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**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.*

contract and to conduct a free raffle or drawing with prizes valued up to \$500.

Additionally, the bill provides that an insurer or insurance producer may give a free or discounted product or service in conjunction with or related to an insurance contract if the product or service:

- Is intended to educate about, assess, monitor, control, mitigate, or protect an individual against loss of life, health, or property; or
- Has a nexus to or enhances the value of the insurance benefits.

Next, the bill provides that an insurer or insurance producer may provide an additional free or discounted service if the service is at least tangentially related to an insurance contract or the administration of an insurance contract, the receipt of the service is not contingent on the purchase of insurance, and the service is offered on the same terms to all potential insurance customers. Before the purchase of insurance, receipt of a quote for insurance, or designation of an agent of record, the insurer or insurance producer providing the service shall disclose in writing to the recipient that receipt of the service is not contingent on the purchase of insurance.

Lastly, the bill permits the commissioner of insurance to adopt rules as necessary to effectuate the provisions of the bill, including adjusting the financial limitations on gifts and prizes as necessary for inflation.

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

2 **SECTION 1.** In Colorado Revised Statutes, 10-3-1104, **amend**  
3 **(1)(g) and (2) introductory portion; and add (2)(e), (2.1), (2.2), (2.3),**  
4 **(2.4), (2.5), (2.6), (2.7), and (6) as follows:**

5 **10-3-1104. Unfair methods of competition - unfair or deceptive**  
6 **practices - rules - definitions.** (1) **The following are defined as unfair**  
7 **methods of competition and unfair or deceptive acts or practices in the**  
8 **business of insurance:**

9 **(g) Rebates: Except as OTHERWISE PROVIDED IN THIS SECTION AND**  
10 **AS otherwise expressly provided by law, knowingly permitting, or**  
11 **offering to make, or making any contract of insurance or agreement as to**

1 such contract, other than as plainly expressed in the insurance contract  
2 issued thereon, or paying, or allowing, or giving, or offering to pay,  
3 allow, or give, directly or indirectly, as inducement to such insurance or  
4 annuity, any rebate of premiums payable on the contract, or any special  
5 favor or advantage in the dividends or other benefits thereon ON THE  
6 CONTRACT OR ANNUITY, or any valuable consideration or inducement  
7 whatever not specified in the contract; or giving, or selling, or purchasing,  
8 or offering to give, sell, or purchase, as inducement to such insurance  
9 contract or annuity or in connection therewith WITH THE INSURANCE  
10 CONTRACT OR ANNUITY, any stocks, bonds, or other securities of any  
11 insurance company or other corporation, association, or partnership, or  
12 any dividends or profits accrued thereon ON THE STOCKS, BONDS, OR  
13 OTHER SECURITIES, or anything of value whatsoever not specified in the  
14 contract;

15 (2) Nothing in paragraph (f) or (g) of subsection (1) SUBSECTION  
16 (1)(f) OR (1)(g) of this section shall be construed as including within the  
17 definition of discrimination or rebates any of the following practices:

18 (e) OFFERING OR PROVIDING, BY OR THROUGH AN EMPLOYEE,  
19 AFFILIATE, OR THIRD-PARTY REPRESENTATIVE OF AN INSURER OR  
20 INSURANCE PRODUCER, A VALUE-ADDED PRODUCT OR SERVICE AT NO COST  
21 OR REDUCED COST, WHEN THE PRODUCT OR SERVICE IS NOT SPECIFIED IN  
22 THE INSURANCE POLICY, IF THE PRODUCT OR SERVICE:

23 (I) RELATES TO THE INSURANCE COVERAGE; AND

24 (II) IS PRIMARILY AIMED TO ACHIEVE ONE OR MORE OF THE  
25 FOLLOWING:

26 (A) PROVIDE LOSS MITIGATION OR LOSS CONTROL;

27 (B) REDUCE CLAIM COSTS OR CLAIM SETTLEMENT COSTS;

1           (C) PROVIDE EDUCATION ABOUT LIABILITY RISK OR RISK OF LOSS  
2 TO INDIVIDUALS OR PROPERTY;

3           (D) MONITOR OR ASSESS RISK, IDENTIFY SOURCES OF RISK, OR  
4 DEVELOP STRATEGIES FOR ELIMINATING OR REDUCING RISK;

5           (E) ENHANCE HEALTH;

6           (F) PROMOTE FINANCIAL WELLNESS THROUGH ITEMS SUCH AS  
7 EDUCATIONAL OR FINANCIAL PLANNING SERVICES;

8           (G) PROVIDE POST-LOSS SERVICES;

9           (H) ENCOURAGE BEHAVIORAL CHANGES TO IMPROVE THE HEALTH  
10 OR REDUCE THE RISK OF DEATH OR DISABILITY OF A CUSTOMER; OR

11           (I) ASSIST IN THE ADMINISTRATION OF EMPLOYEE OR RETIREE  
12 BENEFIT INSURANCE COVERAGE.

13           (2.1) THE COST TO AN INSURER OR INSURANCE PRODUCER  
14 OFFERING A PRODUCT OR SERVICE TO A CUSTOMER PURSUANT TO  
15 SUBSECTION (2)(e) OF THIS SECTION MUST BE REASONABLE IN  
16 COMPARISON TO THAT CUSTOMER'S PREMIUMS OR INSURANCE COVERAGE.

17           (2.2) IF AN INSURER OR INSURANCE PRODUCER IS OFFERING A  
18 PRODUCT OR SERVICE PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION,  
19 THE INSURER OR INSURANCE PRODUCER SHALL PROVIDE A CUSTOMER WITH  
20 CONTACT INFORMATION TO ASSIST THE CUSTOMER WITH QUESTIONS  
21 REGARDING THE PRODUCT OR SERVICE.

22           (2.3) TO ENSURE CONSUMER PROTECTION WHILE IMPLEMENTING  
23 THE PERMITTED PRACTICES SET FORTH IN SUBSECTION (2) OF THIS SECTION,  
24 THE COMMISSIONER MAY ADOPT RULES CONCERNING ISSUES THAT  
25 INCLUDE CONSUMER DATA PROTECTIONS AND PRIVACY, CONSUMER  
26 DISCLOSURE, AND UNFAIR DISCRIMINATION.

27           (2.4) THE AVAILABILITY OF A PRODUCT OR SERVICE OFFERED

1 PURSUANT TO SUBSECTION (2)(e) OF THIS SECTION MUST BE:

2 (a) BASED ON DOCUMENTED, OBJECTIVE CRITERIA THAT IS  
3 MAINTAINED BY THE INSURER OR INSURANCE PRODUCER AND MUST BE  
4 PRODUCED UPON REQUEST BY THE DIVISION; AND

5 (b) OFFERED IN A MANNER THAT IS NOT UNFAIRLY  
6 DISCRIMINATORY.

7 (2.5) (a) IF AN INSURER OR INSURANCE PRODUCER DOES NOT HAVE  
8 SUFFICIENT EVIDENCE BUT HAS A GOOD FAITH BELIEF THAT A PRODUCT OR  
9 SERVICE MEETS THE CRITERIA SET FORTH IN SUBSECTIONS (2)(e)(II)(A) TO  
10 (2)(e)(II)(I) OF THIS SECTION, THE INSURER OR INSURANCE PRODUCER  
11 SHALL PROVIDE THE PRODUCT OR SERVICE IN A MANNER THAT IS NOT  
12 UNFAIRLY DISCRIMINATORY AS PART OF A PILOT OR TESTING PROGRAM FOR  
13 NO MORE THAN ONE YEAR.

14 (b) AN INSURER OR INSURANCE PRODUCER SHALL NOTIFY THE  
15 DIVISION OF A PILOT OR TESTING PROGRAM PRIOR TO LAUNCHING AND,  
16 UNLESS THE DIVISION OBJECTS WITHIN TWENTY-ONE DAYS AFTER  
17 RECEIVING NOTICE OF THE PROGRAM, MAY PROCEED WITH THE PROGRAM.

18 (2.6) (a) AN INSURER OR INSURANCE PRODUCER MAY:

19 (I) OFFER OR GIVE A NONCASH GIFT, ITEM, OR SERVICE, INCLUDING  
20 A MEAL OR CHARITABLE DONATION, TO OR ON BEHALF OF A CUSTOMER IN  
21 CONNECTION WITH THE MARKETING, SALE, PURCHASE, OR RETENTION OF  
22 AN INSURANCE CONTRACT IF THE COST DOES NOT EXCEED AN AMOUNT  
23 DETERMINED TO BE REASONABLE BY THE COMMISSIONER PER POLICY YEAR  
24 PER TERM;

25 (II) OFFER OR GIVE A NONCASH GIFT, ITEM, OR SERVICE,  
26 INCLUDING A MEAL OR CHARITABLE DONATION, TO OR ON BEHALF OF A  
27 CUSTOMER, INCLUDING A COMMERCIAL OR INSTITUTIONAL CUSTOMER, IN

1 CONNECTION WITH THE MARKETING, SALE, PURCHASE, OR RETENTION OF  
2 AN INSURANCE CONTRACT IF:

3 (A) THE COST IS REASONABLE IN COMPARISON TO THE PREMIUM OR  
4 PROPOSED PREMIUM; AND

5 (B) THE COST OF THE GIFT, ITEM, OR SERVICE IS NOT INCLUDED IN  
6 ANY AMOUNT CHARGED TO ANOTHER PERSON OR ENTITY; OR

7 (III) CONDUCT A RAFFLE OR DRAWING IF:

8 (A) THERE IS NO FINANCIAL COST TO PARTICIPATE;

9 (B) THE RAFFLE OR DRAWING DOES NOT OBLIGATE PARTICIPANTS  
10 TO PURCHASE INSURANCE;

11 (C) THE PRIZES ARE NOT VALUED IN EXCESS OF A REASONABLE  
12 AMOUNT DETERMINED BY THE COMMISSIONER; AND

13 (D) THE RAFFLE OR DRAWING IS OPEN TO THE PUBLIC.

14 (b) (I) ANY OFFER, GIFT, RAFFLE, OR DRAWING MADE OR  
15 CONDUCTED PURSUANT TO THIS SUBSECTION (2.6) MUST BE OFFERED IN A  
16 MANNER THAT IS NOT UNFAIRLY DISCRIMINATORY.

17 (II) AN INSURER OR INSURANCE PRODUCER SHALL NOT REQUIRE A  
18 CUSTOMER TO PURCHASE, CONTINUE, OR RENEW AN INSURANCE POLICY IN  
19 EXCHANGE FOR A GIFT, ITEM, SERVICE, OR PRIZE RECEIVED OR WON  
20 PURSUANT TO THIS SUBSECTION (2.6).

21 (2.7) EXCEPT AS APPLIED TO AN INSURER OR INSURANCE  
22 PRODUCER'S OFFER OF A VALUE-ADDED PRODUCT OR SERVICE, AN INSURER  
23 OR INSURANCE PRODUCER SHALL NOT:

24 (a) OFFER OR PROVIDE INSURANCE AS AN INDUCEMENT TO THE  
25 PURCHASE OF ANOTHER POLICY; OR

26 (b) USE THE WORDS "FREE" OR "NO COST" OR WORDS OF SIMILAR  
27 IMPORT IN AN ADVERTISEMENT.

1           (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
2 REQUIRES:

3           (a) "CUSTOMER" INCLUDES A POLICYHOLDER, POTENTIAL  
4 POLICYHOLDER, CERTIFICATE HOLDER, POTENTIAL CERTIFICATE HOLDER,  
5 INSURED, POTENTIAL INSURED, OR APPLICANT.

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

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

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