

## CHAPTER 162

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**INSURANCE**

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**HOUSE BILL 94-1162**

BY REPRESENTATIVES Snyder, Knox, Lyle, and Pierson;  
also SENATORS Pastore and Johnson.

**AN ACT****CONCERNING INSURANCE PRACTICES WITH RESPECT TO COMPLYING AUTOMOBILE INSURANCE POLICIES.**

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

**SECTION 1.** 10-4-719.7, Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended to read:

**10-4-719.7. Refusal to write, changes in, cancellation, or nonrenewal of policies prohibited.** (1) ~~With respect to an insurance policy affording the coverage required by this part 7~~ No insurer shall cancel, ~~or fail to renew, such policy~~ REFUSE TO WRITE, reclassify an insured UNDER, reduce coverage UNDER, unless the reduction is part of a general reduction in coverage ~~approved by~~ FILED WITH the commissioner, or increase the premium for, ~~such policy~~ unless the increase is part of a general increase in premiums filed with the commissioner, ~~solely~~ ANY COMPLYING POLICY because the APPLICANT, insured, or any resident of the household of the APPLICANT OR insured has had an accident or accidents which are not the fault of such named APPLICANT, insured, ~~or household member, The prohibitions set forth in this section shall not apply where summary disclosure of such underwriting policy has been made to the policyholder in accordance with the provisions of section 10-4-111 (1). OR~~ PERMISSIVE USER.

(1.5) (a) ~~With respect to an insurance policy affording the coverage required by this part 7~~ No insurer shall cancel, ~~or fail to renew, such policy~~ reclassify an insured UNDER, reduce coverage UNDER, unless the reduction is part of a general reduction in coverage ~~approved by~~ FILED WITH the commissioner, or increase the premium for, ~~such policy~~ unless the increase is part of a general increase in premiums filed with the

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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.*

commissioner, ANY COMPLYING POLICY solely because the insured person has been convicted of an offense related to the failure to have in effect compulsory motor vehicle insurance or such person has been denied issuance of a motor vehicle registration for failure to have such insurance.

(b) (I) NO INSURER SHALL REFUSE TO WRITE A COMPLYING POLICY SOLELY BECAUSE OF THE CLAIM OR DRIVING RECORD OF ONE OR MORE BUT FEWER THAN ALL OF THE PERSONS RESIDING IN THE HOUSEHOLD OF THE NAMED INSURED.

(II) AN INSURER SHALL OFFER TO EXCLUDE ANY PERSON BY NAME PURSUANT TO SECTION 10-4-721 IN THE HOUSEHOLD IF SUCH PERSON'S DRIVING RECORD AND CLAIM EXPERIENCE WOULD JUSTIFY THE REFUSAL BY SUCH INSURER TO WRITE A POLICY FOR SUCH PERSON IF SUCH PERSON WERE APPLYING IN SUCH PERSON'S OWN NAME AND NOT AS PART OF A HOUSEHOLD.

(III) AN INSURER RENEWING A POLICY PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (b) SHALL INCLUDE AS PART OF SUCH RENEWAL A WRITTEN NOTICE NAMING THE PARTY SPECIFICALLY EXCLUDED FROM COVERAGE.

(2) An insured who believes the provisions of subsection (1) or (1.5) of this section have been violated shall have the right to file a protest with the commissioner pursuant to the provisions of section 10-4-720.

(3) The commissioner shall promulgate rules and regulations to implement the provisions of this section.

**SECTION 2. Effective date - applicability.** This act shall take effect July 1, 1994, and shall apply to all complying policies written or renewed on or after said date.

**SECTION 3. 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: April 28, 1994