

CHAPTER 187

INSURANCE

HOUSE BILL 94-1209

BY REPRESENTATIVES Schauer, Friednash, Greenwood, Jerke, and Owen;
also SENATOR Bishop.

AN ACT

**CONCERNING LIMITATIONS PURSUANT TO THE "COLORADO AUTO ACCIDENT REPAIRS ACT"
ON THE REQUIRED NO FAULT COVERAGE IN A COMPLYING POLICY FOR REHABILITATION
EXPENSES TO EXPENSES INCURRED UP TO A MAXIMUM DOLLAR AMOUNT WITHIN A CERTAIN
PERIOD OF TIME AFTER THE ACCIDENT.**

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

SECTION 1. Legislative declaration. The Colorado general assembly hereby finds and declares that the original intention of the Colorado general assembly in enacting the "Colorado Auto Accident Reparations Act" (the "no fault" act) was to limit required rehabilitation benefits in both time and amount. The Colorado general assembly further finds and declares that such intention is evidenced by the report of the special interim committee on automobile insurance created by the legislative council in 1972. The Colorado general assembly further finds and declares that, in light of a recent court opinion in which an attempt by an insurer to limit payment for rehabilitation treatment and occupational training to the five-year-period after the accident was declared void by the court, the purpose of this act is to clarify the original legislative intent of the "Colorado Auto Accident Reparations Act".

SECTION 2. 10-4-706 (1) (c), Colorado Revised Statutes, 1987 Repl. Vol., is amended to read:

10-4-706. Required coverages - complying policies. (1) Subject to the limitations and exclusions authorized by this part 7, the minimum coverages required for compliance with this part 7 are as follows:

(c) (I) ~~(A)~~ Compensation without regard to fault UP TO A LIMIT OF FIFTY THOUSAND DOLLARS PER PERSON FOR ANY ONE ACCIDENT WITHIN TEN YEARS AFTER SUCH

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

ACCIDENT for payment of the cost of rehabilitation procedures or treatment and rehabilitative occupational training necessary because of bodily injury arising out of the use or operation of a motor vehicle.

(II) The procedures, treatment, or course of rehabilitation shall meet the following standards:

~~(B)~~ (A) A healing art procedure or treatment which, for the purposes of this part 7, shall include any system, treatment, operation, diagnosis, prescription, or practice for the prevention, ascertainment, cure, relief, palliation, adjustment, or correction of any human disease, ailment, deformity, injury, or unhealthy or abnormal physical or mental condition, or any other nonmedical care or treatment rendered in accordance with a recognized religious method of healing.

~~(C)~~ (B) A course of occupational training shall be reasonable and appropriate for the particular case;

~~(D)~~ (C) A procedure, treatment, or training shall contribute substantially to rehabilitation;

~~(E)~~ (D) The cost of a procedure, treatment, or training shall be reasonable in relation to its probable rehabilitative effects.

~~(H) An insurer obligated to provide direct benefits under this section shall be presumed to have complied with the provision for rehabilitation when the value of rehabilitation services or treatment provided under paragraph (c) of subsection (1) of this section shall have reached fifty thousand dollars within five years after an accident involving a motor vehicle.~~

SECTION 3. Effective date - applicability. This act shall take effect July 1, 1994, and shall apply to all complying policies issued under the provisions of the "Colorado Auto Accident Reparations Act", part 7 of article 4 of title 10, Colorado Revised Statutes, on and after that date.

SECTION 4. 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: May 4, 1994