

## CHAPTER 52

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**INSURANCE**

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**HOUSE BILL 94-1071**

BY REPRESENTATIVES Dyer, Greenwood, Hagedorn, Jerke, and Owen;  
also SENATOR Tebedo.

**AN ACT****CONCERNING FRAUDULENT INSURANCE CLAIMS.**

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

**SECTION 1.** 10-4-602 (1) (c), Colorado Revised Statutes, 1987 Repl. Vol., is amended, and the said 10-4-602 (1) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

**10-4-602. Basis for cancellation.** (1) A notice of cancellation of a policy shall be valid only if it is based on one or more of the following reasons:

(c) AN applicant knowingly made a false statement on the application for insurance; OR

(d) AN INSURED KNOWINGLY AND WILLFULLY MADE A FALSE MATERIAL STATEMENT ON A CLAIM SUBMITTED UNDER THE POLICY.

**SECTION 2.** 10-4-1003 (1), Colorado Revised Statutes, 1987 Repl. Vol., as amended, is amended to read:

**10-4-1003. Disclosure of information.** (1) When ~~an insurer~~ ANY PERSON has reason to believe that a fire loss ~~in which it has an interest~~ may have been caused by other than accidental means or ~~when an insurer has reason to believe that any~~ INSURANCE claim ~~in which it has an interest~~ may be fraudulent, then ~~the company~~ ~~shall~~ SUCH PERSON MAY notify an authorized agency for the purpose of having such fire loss or claim investigated.

**SECTION 3.** 10-4-1005, Colorado Revised Statutes, 1987 Repl. Vol., as

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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.*

amended, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

**10-4-1005. Immunity.** IN THE CASE OF ACTIONS TAKEN UNDER THIS PART 10, AND EXCEPT WHERE INFORMATION IS FURNISHED WITH KNOWLEDGE THAT THE INFORMATION IS FALSE, THERE SHALL BE NO CIVIL PENALTY, OR DAMAGES ON THE PART OF, AND NO CAUSE OF ACTION SHALL RISE AGAINST, ANY PERSON FOR FURNISHING INFORMATION OR TAKING OTHER ACTION PURSUANT TO THE PROVISIONS OF THIS PART 10.

**SECTION 4. Effective date - applicability.** This act shall take effect July 1, 1994, and shall apply to acts committed on or after said date.

**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: March 29, 1994