

CHAPTER 92

INSURANCE

HOUSE BILL 96-1112

BY REPRESENTATIVE Schauer;
also SENATOR Schroeder.

AN ACT

CONCERNING THE TIME PERIODS FOR THE CONTINUATION OF AUTOMOBILE INSURANCE POLICIES.

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

SECTION 1. 10-4-603 (1), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-4-603. Notice. (1) No notice of cancellation of a policy to which section 10-4-602 applies shall be valid unless mailed or delivered by the insurer to the named insured at least ~~twenty~~ THIRTY days prior to the effective date of cancellation; but, where cancellation is for nonpayment of premium, at least ten days' notice of cancellation accompanied by the reason therefor shall be given OR, ALTERNATIVELY, A NOTICE ADVISING THAT THE POLICY WILL BE CANCELLED IF TIMELY PAYMENT OF PREMIUM IS NOT MADE MAY BE GIVEN AT LEAST TEN DAYS BUT NOT MORE THAN THIRTY DAYS PRIOR TO THE PREMIUM DUE DATE. Unless the reason accompanies or is included in the notice of cancellation, the notice of cancellation shall state or be accompanied by a statement that, upon written request of the named insured, mailed or delivered to the insurer not less than fifteen days prior to the effective date of cancellation, the insurer will specify the reason for such cancellation. AS USED IN THIS SECTION, "PREMIUM DUE DATE" MEANS THE DATE THAT A PREMIUM THAT HAS BEEN PREVIOUSLY PAID IS FULLY EARNED.

SECTION 2. 10-4-604 (1), Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-4-604. Nonrenewal. (1) No insurer shall refuse to renew a policy unless such insurer or its agent mails or delivers to the named insured, at the address shown in the policy, at least ~~twenty~~ THIRTY days' advance notice of its intention not to renew. This

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

section shall not apply:

- (a) If the insurer has manifested its willingness to renew;
- (b) In case of nonpayment of premium;
- (c) If the insured fails to pay any advance premium required by the insurer for renewal.

SECTION 3. 10-4-718, Colorado Revised Statutes, 1994 Repl. Vol., is amended to read:

10-4-718. Quarterly premium payments. The commissioner shall issue rules ~~and regulations~~ establishing quarterly, semiannual, and annual premium payments for persons who are required to purchase insurance under this part 7. AN INSURER PROVIDING A PLAN FOR PAYMENTS ON A BASIS THAT IS MORE FREQUENT THAN QUARTERLY NEED NOT ALSO PROVIDE A QUARTERLY PAYMENT PLAN. AN INSURER'S PLAN FOR PAYMENTS MAY PROVIDE FOR PAYMENTS OF AN ADVANCE DEPOSIT PREMIUM.

SECTION 4. Effective date - applicability. This act shall take effect upon passage and shall apply to automobile insurance policies canceled or not renewed 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: April 17, 1996