

CHAPTER 117

INSURANCE

SENATE BILL 98-012

BY SENATORS Tebedo, Bishop, Congrove, Hernandez, Linkhart, Martinez, Matsunaka, Perlmutter, Phillips, Powers, Rupert, and Thiebaut;
also REPRESENTATIVES Swenson, Anderson, Mace, and Sullivant.

AN ACT

CONCERNING A PROHIBITION AGAINST ANY INSURER TAKING ADVERSE ACTIONS AGAINST A PERSON
BECAUSE THE PERSON HAS NOT MAINTAINED MOTOR VEHICLE INSURANCE COVERAGE IN THE PAST.

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

SECTION 1. 10-4-719.7 (1.5) (a), Colorado Revised Statutes, is amended to read:

10-4-719.7. Refusal to write, changes in, cancellation, or nonrenewal of policies prohibited. (1.5) (a) (I) No insurer shall cancel, fail to renew, reclassify an insured under, reduce coverage under, unless the reduction is part of a general reduction in coverage filed with the commissioner, or increase the premium for, unless the increase is part of a general increase in premiums filed with the 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.

(II) UNLESS ACTUARIAL JUSTIFICATION IN SUPPORT OF THE INSURER'S ACTION THAT HAS BEEN FILED WITH THE COMMISSIONER DEMONSTRATES THAT THERE IS AN INCREASE IN RISK, NO INSURER SHALL REFUSE TO WRITE A POLICY FOR A NEW APPLICANT, SURCHARGE THE PREMIUM OF A NEW APPLICANT, OR PLACE A NEW APPLICANT IN A HIGHER-PRICED PROGRAM OR PLAN BASED SOLELY UPON:

(A) THE FACT THAT THE APPLICANT HAD NO PRIOR INSURANCE;

(B) THE IDENTITY OF THE APPLICANT'S PRIOR INSURER; OR

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

(C) THE APPLICANT'S PRIOR TYPE OF COVERAGE, INCLUDING ASSIGNED RISK OR RESIDUAL MARKET COVERAGE OR ANY PLAN OTHER THAN A PREFERRED PLAN.

(III) AN INSURER MAY USE INDUSTRY-WIDE DATA IN ITS ACTUARIAL JUSTIFICATION UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH (a).

(IV) NO INSURER SHALL REFUSE TO WRITE A POLICY FOR A NEW APPLICANT, SURCHARGE THE PREMIUM OF A NEW APPLICANT, OR PLACE A NEW APPLICANT IN A HIGHER-PRICED PROGRAM OR PLAN SOLELY BECAUSE THE APPLICANT HAD NO PRIOR INSURANCE IF THE APPLICANT WAS NOT REQUIRED TO HAVE INSURANCE UNDER SECTION 10-4-705 OR UNDER A SIMILAR LAW IN ANOTHER STATE.

SECTION 2. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to all policies of motor vehicle insurance issued on or after the applicable effective date of this act.

Approved: April 17, 1998