

CHAPTER 106

INSURANCE

SENATE BILL 02-146

BY SENATOR(S) Phillips, Hernandez, Nichol, and Thiebaut;
also REPRESENTATIVE(S) Spradley, Kester, and Williams T.

AN ACT

CONCERNING REFUNDING PREPAID PREMIUMS FOR MEDICARE SUPPLEMENT INSURANCE POLICIES.

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

SECTION 1. 10-18-107, Colorado Revised Statutes, is amended to read:

10-18-107. Right to examine policy - right to refund of premium. Medicare supplement policies or certificates shall have a notice prominently printed on the first page of the policy or certificate or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within thirty days ~~of~~ AFTER its delivery and to have any premium refunded if, after examination of the policy or certificate, the policyholder or certificate holder is not satisfied for any reason. Any refund made pursuant to this section shall be paid directly to the policyholder or certificate holder by the insurer in a timely manner. IF A POLICYHOLDER OR CERTIFICATE HOLDER DECIDES TO CANCEL A POLICY OR CERTIFICATE AFTER THE FIRST THIRTY DAYS OF COVERAGE AND THE POLICYHOLDER OR CERTIFICATE HOLDER PROVIDES THE INSURER NOTICE OF THE CANCELLATION AT LEAST THIRTY DAYS BEFORE CANCELLATION, THE INSURER SHALL REFUND A PRORATED AMOUNT OF ANY PREPAID PREMIUMS FOR SUCH POLICY OR CERTIFICATE BASED ON THE SUBSEQUENT FULL MONTHS OF COVERAGE BEING CANCELLED.

SECTION 2. Effective date - applicability. This act shall take effect January 1, 2003, and shall apply to medicare supplement policies issued or renewed on or after said date.

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 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 18, 2002