

## CHAPTER 135

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**INSURANCE**

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**HOUSE BILL 05-1250**

BY REPRESENTATIVE(S) Cloer, Berens, Butcher, Carroll M., Marshall, Sullivan, Boyd, and Green;  
also SENATOR(S) Groff, Tapia, Tochtrop, and Williams.

**AN ACT**

**CONCERNING DISCLOSURES PERTAINING TO MEDICAL PAYMENTS COVERAGE THAT ARE REQUIRED TO  
BE MADE BY AN INSURER OFFERING MOTOR VEHICLE COVERAGE.**

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

**SECTION 1.** 10-4-635, Colorado Revised Statutes, is amended to read:

**10-4-635. Medical payments coverage - disclosure.** (1) If an insurer makes available medical payments coverage in conjunction with the coverage required pursuant to section 10-4-620, such medical payments coverage shall provide for benefits of five thousand dollars, as well as any other benefit deemed appropriate by the insurer. Nothing in this section shall be construed to limit any other coverage amounts being made available by an insurer.

(2)(a) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT INDIVIDUALS WHO PURCHASE MOTOR VEHICLE INSURANCE ARE FACED WITH DECISIONS CONCERNING PURCHASING MEDICAL PAYMENTS COVERAGE AND THE SIGNIFICANCE OF THIS PURCHASE. FURTHER, IF A CONSUMER PURCHASES MEDICAL PAYMENTS COVERAGE, THE CONSUMER MAY NOT APPRECIATE THE SIGNIFICANCE THAT THE COVERAGE IS PRIMARY TO OTHER COVERAGES AND APPLIES TO THE PAYMENT OF COINSURANCE OR DEDUCTIBLES. THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT IT IS IN THE BEST INTEREST OF INSURANCE CONSUMERS TO HAVE CLEAR AND UNDERSTANDABLE DISCLOSURES CONCERNING THE SIGNIFICANCE OF PURCHASING MEDICAL PAYMENTS COVERAGE.

(b) EVERY INSURER ISSUING AUTOMOBILE INSURANCE POLICIES THAT INCLUDE MEDICAL PAYMENTS COVERAGE SHALL INCLUDE IN THE SUMMARY DISCLOSURE FORM REQUIRED BY SECTION 10-4-111 A DISCLOSURE SPECIFYING THAT:

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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.*

(I) MEDICAL PAYMENTS COVERAGE PAYS FOR REASONABLE HEALTH CARE EXPENSES INCURRED FOR BODILY INJURY CAUSED BY AN AUTOMOBILE ACCIDENT, REGARDLESS OF FAULT, UP TO THE POLICY LIMITS CHOSEN BY THE INSURED;

(II) MEDICAL PAYMENTS COVERAGE IS PRIMARY TO ANY HEALTH INSURANCE COVERAGE AVAILABLE TO AN INSURED WHEN INJURED IN AN AUTOMOBILE ACCIDENT;

(III) MEDICAL PAYMENTS COVERAGE APPLIES TO ANY COINSURANCE OR DEDUCTIBLE AMOUNT REQUIRED TO BE PAID BY THE PERSON'S HEALTH COVERAGE PLAN, AS DEFINED IN SECTION 10-16-102 (22.5);

(IV) AN INSURED WHO IS INJURED IN AN AUTOMOBILE ACCIDENT WILL NOT RECEIVE BENEFITS FROM MEDICAL PAYMENTS COVERAGE FOR ANY MEDICAL EXPENSES INCURRED AS A RESULT OF AN ACCIDENT THAT IS THE FAULT OF THE INSURED UNLESS MEDICAL PAYMENTS COVERAGE IS PURCHASED.

(c) THE DISCLOSURES REQUIRED BY THIS SUBSECTION (2) SHALL NOT APPLY TO COMMERCIAL AUTOMOBILE INSURANCE POLICIES, AS DEFINED BY THE COMMISSIONER IN RULES ADOPTED PURSUANT TO SECTION 10-4-641 (1).

**SECTION 2.** 10-4-641 (1), Colorado Revised Statutes, is amended to read:

**10-4-641. Rules - medical payments coverage - repeal.** (1) The commissioner shall promulgate any necessary rules for the administration of medical payments coverage and coordination of benefits AND THE IMPLEMENTATION OF SECTION 10-4-635 (2) CONCERNING DISCLOSURES REQUIRED TO BE MADE REGARDING MEDICAL PAYMENTS COVERAGE AND THE DEFINITION OF COMMERCIAL AUTOMOBILE INSURANCE POLICIES FOR PURPOSES OF THE EXCEPTION ALLOWED IN SECTION 10-4-635 (2) (c). Medical payments coverage shall be primary to any health insurance benefit of a person injured in a motor vehicle accident, and medical payments coverage shall apply to any coinsurance or deductible amount required by the injured person's health coverage plan, as defined in section 10-16-102 (22.5).

**SECTION 3. Repeal.** 10-4-641 (2), Colorado Revised Statutes, is repealed as follows:

**10-4-641. Rules - medical payments coverage.** (2) ~~This section is repealed, effective July 1, 2005.~~

**SECTION 4. Effective date - applicability.** (1) Sections 1 and 2 of this act shall take effect January 1, 2006, and shall apply to automobile insurance policies issued or renewed on or after said date.

(2) Section 3 of this act shall take effect July 1, 2005, and shall apply to automobile insurance policies issued or 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: May 4, 2005