

CHAPTER 58

INSURANCE

SENATE BILL 05-070

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 also REPRESENTATIVE(S) Paccione, Berens, Boyd, Butcher, Cadman, Carroll M., Cloer, Coleman, Frangas, Gallegos, Garcia, Green, Harvey, Hoppe, Jahn, King, Knoedler, Marshall, McCluskey, McFadyen, Merrifield, Penry, Schultheis, Solano, Stafford, Todd, and Witwer.

AN ACT**CONCERNING INSURANCE COVERAGE FOR MILITARY PERSONNEL.**

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

SECTION 1. 10-4-628 (2) (a), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

10-4-628. Refusal to write - changes in - cancellation - nonrenewal of policies prohibited. (2) (a) (V) AN INSURER SHALL NOT REDUCE OR CANCEL INSURANCE COVERAGE EXCEPT FOR NONPAYMENT, REFUSE TO ISSUE OR RENEW A POLICY, OR SURCHARGE A NEWLY ISSUED OR RENEWED POLICY DUE TO A COVERED PERSON'S FAILURE TO MAINTAIN COVERAGE DURING A PERIOD IN WHICH THE COVERED PERSON WAS DEPLOYED BY OR CALLED TO ACTIVE DUTY IN THE UNITED STATES MILITARY IF THE PERSON WAS NOT REQUIRED TO MAINTAIN INSURANCE UNDER SECTION 10-4-619 OR UNDER A SIMILAR LAW OF ANOTHER STATE.

SECTION 2. 10-16-201, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

10-16-201. Form and content of individual sickness and accident insurance policies. (5) (a) IF A PERSON IS DEPLOYED BY OR CALLED TO ACTIVE DUTY IN THE UNITED STATES MILITARY AND THE PERSON'S INDIVIDUAL SICKNESS AND ACCIDENT INSURANCE POLICY LAPSES DURING THE DEPLOYMENT OR ACTIVATION, THE INSURER WHO INSURED THE PERSON SHALL ISSUE, UPON APPLICATION, THE SAME INDIVIDUAL COVERAGE TO THE PERSON. THE APPLICATION SHALL CONTAIN REASONABLE

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

EVIDENCE OF THE INDIVIDUAL SICKNESS AND ACCIDENT INSURANCE THAT COVERED THE PERSON PRIOR TO THE DEPLOYMENT OR ACTIVATION. THE INSURER SHALL NOT:

(I) RESTRICT BENEFITS OR INCREASE PREMIUMS FOR THE COVERAGE AS A RESULT OF THE LAPSE IN COVERAGE;

(II) USE ANY HEALTH CONDITION ORIGINATING OR NEWLY TREATED DURING THE LAPSE IN COVERAGE TO RATE THE POLICY; OR

(III) LIMIT BENEFITS BY AN EXCLUSIONARY RIDER OR BY APPLYING A PREEXISTING CONDITION LIMITATION PROVISION TO THE POLICY.

(b) NOTHING IN THIS SUBSECTION (5) SHALL BE CONSTRUED TO LIMIT THE ABILITY OF AN INSURER TO INCREASE PREMIUMS FOR SUCH POLICIES BASED ON GENERAL RATE INCREASES THAT ARE APPLICABLE TO ALL POLICYHOLDERS.

SECTION 3. 10-3-1104 (1), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

10-3-1104. Unfair methods of competition and unfair or deceptive acts or practices. (1) The following are defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

(dd) FAILING TO COMPLY WITH THE PROVISIONS OF SECTION 10-4-628 (2) (a) (V) OR 10-16-201 (5).

SECTION 4. Applicability. This act shall apply to actions taken by insurers on or after the effective date of this act.

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 14, 2005