

CHAPTER 99

INSURANCE

HOUSE BILL 05-1119

BY REPRESENTATIVE(S) Butcher, Carroll M., Coleman, Gallegos, McFadyen, Riesberg, Green, and Todd;
also SENATOR(S) Tapia, Groff, Hanna, Shaffer, Tochtrop, and Williams.

AN ACT**CONCERNING MONTHLY ELECTRONIC PAYMENT OF INSURANCE PREMIUMS.**

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

SECTION 1. Part 1 of article 4 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-4-119. Monthly electronic payment of premiums. AN INSURER OFFERING PERSONAL LINES OF PROPERTY AND CASUALTY INSURANCE SHALL OFFER EACH POLICYHOLDER THE OPTION TO PAY HIS OR HER INSURANCE PREMIUMS MONTHLY AND TO MAKE PREMIUM PAYMENTS BY AUTOMATIC ELECTRONIC TRANSFER. THE INSURER SHALL NOT BE REQUIRED TO OFFER SUCH PAYMENT OPTIONS IF AN APPLICANT OR POLICYHOLDER HAS PREVIOUSLY MADE ONE OR MORE PREMIUM PAYMENTS THAT WERE DISHONORED BECAUSE THE ACCOUNT CLOSED, THE ACCOUNT HAD INSUFFICIENT FUNDS, OR FOR ANY OTHER SIMILAR REASON FOR NONPAYMENT.

SECTION 2. 10-16-103.5 (2), Colorado Revised Statutes, is amended to read:

10-16-103.5. Payment of premiums - required term in contract.
(2) Premiums shall be paid according to the premium payment provisions of the contract. THE CARRIER SHALL INCLUDE IN THE CONTRACT, IN THE BILLING NOTICE, OR IN THE APPLICATION PROCESS FOR COVERAGE, AN OPTION FOR THE POLICYHOLDER TO MAKE MONTHLY PREMIUM PAYMENTS AND AN OPTION TO MAKE PREMIUM PAYMENTS BY AUTOMATIC ELECTRONIC TRANSFER.

SECTION 3. Effective date - applicability. (1) This act shall take effect December 31, 2005.

(2) However, if a referendum petition is filed against this act or an item, section,

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

or part of this act during the 90-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, then the act, item, section, or part, shall not take effect unless approved by the people at a biennial regular general election and shall take effect on the date specified in subsection (1) or on the date of the official declaration of the vote thereon by proclamation of the governor, whichever is later.

(3) The provisions of this act shall apply to policies issued or renewed on or after the applicable effective date of this act.

Approved: April 22, 2005