

HOUSE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

February 20, 2014  
Date

Committee on Business, Labor, Economic, & Workforce Development.

After consideration on the merits, the Committee recommends the following:

HB14-1082 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:  
3 "SECTION 1. In Colorado Revised Statutes, **add** 10-7-105.5 as  
4 follows:  
5 **10-7-105.5. Lapse of life insurance policy - notice - affidavit of**  
6 **mailing or electronic transmission - legislative declaration.** (1) THE  
7 GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT IT IS  
8 BENEFICIAL TO CITIZENS OF THIS STATE FOR LIFE INSURERS, PRIOR TO THE  
9 LAPSE OF INDIVIDUAL LIFE INSURANCE POLICIES FOR NONPAYMENT OF  
10 PREMIUM, TO PROVIDE WRITTEN NOTICE IN A UNIFORM MANNER TO POLICY  
11 OWNERS.  
12 (2) A NOTICE OF LAPSE OF AN INDIVIDUAL LIFE INSURANCE POLICY  
13 FOR NONPAYMENT OF PREMIUM IS EFFECTIVE ONLY IF:  
14 (a) THE INFORMATION IS MAILED ALONG WITH THE REASON FOR  
15 THE LAPSE BY FIRST-CLASS UNITED STATES MAIL TO THE LAST-KNOWN  
16 ADDRESS OF THE POLICY OWNER AT LEAST TWENTY-FIVE DAYS BEFORE  
17 THE EFFECTIVE DATE OF LAPSE; OR  
18 (b) THE INFORMATION IS TRANSMITTED ALONG WITH THE REASON  
19 FOR THE LAPSE BY ELECTRONIC MAIL, IF THE POLICY OWNER CONSENTS TO  
20 RECEIVE INFORMATION RELATED TO AN INDIVIDUAL LIFE INSURANCE  
21 POLICY IN ELECTRONIC FORM, TO THE LAST-KNOWN ELECTRONIC MAIL  
22 ADDRESS OF THE POLICY OWNER ON FILE WITH THE INSURER AT LEAST  
23 TWENTY-FIVE DAYS BEFORE THE EFFECTIVE DATE OF LAPSE OF THE  
24 INDIVIDUAL LIFE INSURANCE POLICY.

1 (3) THE AFFIDAVIT, EXECUTED UNDER PENALTY OF PERJURY, OF  
2 ANY OFFICER, CLERK, OR AGENT OF THE INSURER OR OF ANYONE  
3 AUTHORIZED TO MAIL OR ELECTRONICALLY TRANSMIT NOTICES REQUIRED  
4 BY SUBSECTION (2) OF THIS SECTION, CONSTITUTES PROOF OF NOTICE  
5 UNDER THIS SECTION.

6 (4) THIS SECTION DOES NOT APPLY TO INDIVIDUAL LIFE INSURANCE  
7 POLICIES UPON WHICH PREMIUMS ARE PAID MONTHLY OR AT MORE  
8 FREQUENT INTERVALS.

9 (5) THE COMMISSIONER MAY ADOPT RULES NECESSARY FOR THE  
10 ADMINISTRATION OF THIS SECTION.

11 **SECTION 2. Act subject to petition - effective date -**  
12 **applicability.** (1) This act takes effect January 1, 2015; except that, if a  
13 referendum petition is filed pursuant to section 1 (3) of article V of the  
14 state constitution against this act or an item, section, or part of this act  
15 within the ninety-day period after final adjournment of the general  
16 assembly, then the act, item, section, or part will not take effect unless  
17 approved by the people at the general election to be held in November  
18 2014 and, in such case, will take effect on January 1, 2015, or on the date  
19 of the official declaration of the vote thereon by the governor, whichever  
20 is later.

21 (2) This act applies to notices of lapse of individual life insurance  
22 policies on or after the applicable effective date of this act."

23 Page 1, line 102, change the period to a comma and add "**AND IN**  
24 **CONNECTION THEREWITH, REQUIRING WRITTEN NOTICE PRIOR TO THE**  
25 **LAPSE OF INDIVIDUAL LIFE INSURANCE POLICIES.**".

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