

**First Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 05-0347.01 Christy Chase

HOUSE BILL 05-1250

HOUSE SPONSORSHIP

Cloer,

SENATE SPONSORSHIP

Groff,

House Committees

Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

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

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires an insurer offering medical payments coverage as part of an automobile insurance policy to disclose to the person purchasing or considering the purchase of medical payments coverage that the medical payments coverage:

Is primary to any health insurance benefits available to the person if injured in a covered automobile accident; and
Applies to any coinsurance or deductible amount required

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

by the person's health coverage plan.

Requires any automobile insurance policy issued or renewed on or after January 1, 2006, for which medical payments coverage benefits were offered but not purchased by the insured, to disclose to the insured, in the same medium in which the policy is offered, that:

An insured under the policy who is injured in an automobile accident will not receive coverage for any medical expenses incurred as a result of an accident that is the fault of the insured; and

The insured may be personally responsible for the payment of such medical expenses to the health care provider who provided services.

Retains beyond July 1, 2005, the requirement that medical payments coverage be primary to any health insurance benefit of a person injured in an automobile accident and that medical payments coverage apply to any coinsurance or deductible amount required in the injured person's health coverage plan.

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

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

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

11 (2) (a) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND
12 DECLARES THAT INDIVIDUALS WHO PURCHASE MOTOR VEHICLE INSURANCE
13 ARE FACED WITH DECISIONS CONCERNING PURCHASING MEDICAL
14 PAYMENTS COVERAGE AND THE SIGNIFICANCE OF THIS PURCHASE. SOME
15 CONSUMERS ARE NOT KNOWLEDGEABLE IN WHETHER MEDICAL PAYMENTS
16 COVERAGE IS APPROPRIATE FOR THEM IN LIGHT OF THE THEIR OTHER

1 INSURANCE COVERAGES. FURTHER, IF A CONSUMER PURCHASES MEDICAL
2 PAYMENTS COVERAGE, THE CONSUMER MAY NOT APPRECIATE THE
3 SIGNIFICANCE THAT THE COVERAGE IS PRIMARY TO OTHER COVERAGES
4 AND APPLIES TO THE PAYMENT OF COINSURANCE OR DEDUCTIBLES.
5 THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT IT IS IN THE BEST
6 INTEREST OF INSURANCE CONSUMERS TO HAVE CLEAR AND
7 UNDERSTANDABLE DISCLOSURES CONCERNING THE SIGNIFICANCE OF
8 PURCHASING MEDICAL PAYMENTS COVERAGE.

9 (b) AN INSURER SHALL DISCLOSE TO A PERSON PURCHASING OR
10 CONSIDERING THE PURCHASE OF MEDICAL PAYMENTS COVERAGE THAT,
11 PURSUANT TO SECTION 10-4-641, THE MEDICAL PAYMENTS COVERAGE:

12 (I) IS PRIMARY TO ANY HEALTH INSURANCE BENEFIT AVAILABLE TO
13 THE PERSON WHEN INJURED IN AN AUTOMOBILE ACCIDENT; AND

14 (II) APPLIES TO ANY COINSURANCE OR DEDUCTIBLE AMOUNT
15 REQUIRED TO BE PAID BY THE PERSON'S HEALTH COVERAGE PLAN, AS
16 DEFINED IN SECTION 10-16-102 (22.5).

17 (c) AN INSURER SHALL DISCLOSE TO A PERSON PURCHASING OR
18 CONSIDERING THE PURCHASE OF MEDICAL PAYMENTS COVERAGE THAT IF
19 THE PERSON DECLINES TO PURCHASE MEDICAL PAYMENTS COVERAGE:

20 (I) AN INSURED WHO IS INJURED IN AN AUTOMOBILE
21 ACCIDENT WILL NOT RECEIVE BENEFITS FROM MEDICAL PAYMENTS
22 COVERAGE FOR ANY MEDICAL EXPENSES INCURRED AS A RESULT OF AN
23 ACCIDENT THAT IS THE FAULT OF THE INSURED; AND

24 (II) THE INSURED MAY BE PERSONALLY RESPONSIBLE FOR THE
25 PAYMENT OF MEDICAL EXPENSES FOR SERVICES PROVIDED BY A HEALTH
26 CARE PROVIDER TO THE INSURED FOR INJURIES RESULTING FROM AN
27 AUTOMOBILE ACCIDENT.

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

3 **10-4-641. Rules - medical payments coverage - repeal.** (1) The
4 commissioner shall promulgate any necessary rules for the administration
5 of medical payments coverage and coordination of benefits AND THE
6 IMPLEMENTATION OF SECTION 10-4-635 (2) CONCERNING DISCLOSURES
7 REQUIRED TO BE MADE REGARDING MEDICAL PAYMENTS COVERAGE.
8 Medical payments coverage shall be primary to any health insurance
9 benefit of a person injured in a motor vehicle accident, and medical
10 payments coverage shall apply to any coinsurance or deductible amount
11 required by the injured person's health coverage plan, as defined in
12 section 10-16-102 (22.5).

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

15 **10-4-641. Rules - medical payments coverage.** (2) ~~This section~~
16 ~~is repealed, effective July 1, 2005.~~

17 **SECTION 4. Effective date - applicability.** (1) Sections 1 and
18 2 of this act shall take effect January 1, 2006, and shall apply to
19 automobile insurance policies issued or renewed on or after said date.

20 (2) Section 3 of this act shall take effect July 1, 2005, and shall
21 apply to automobile insurance policies issued or renewed on or after said
22 date.

23 **SECTION 5. Safety clause.** The general assembly hereby finds,
24 determines, and declares that this act is necessary for the immediate
25 preservation of the public peace, health, and safety.