

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

**PREAMENDED**

LLS NO. 01-0203.01 Julie Hoerner

**HOUSE BILL 01-1089**

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**HOUSE SPONSORSHIP**

**Ragsdale,**

**SENATE SPONSORSHIP**

**Linkhart,**

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**House Committees**

Transportation & Energy

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING BASIC AUTOMOBILE INSURANCE COVERAGE UNDER THE**  
102             **"COLORADO AUTO ACCIDENT REPARATIONS ACT" FOR**  
103             **PERSONS WITHIN ONE HUNDRED EIGHTY-FIVE PERCENT OF THE**  
104             **FEDERAL POVERTY LEVEL.**

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**Bill Summary**

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

Makes legislative findings. Determines that an auto insurance policy for persons within 185% of the federal poverty level is in the best interests of Colorado.

Allows basic personal injury protection coverage for persons who:

- Have a family income that does not exceed 185% of the

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.*

- federal poverty level;
- Are 19 years of age or older;
- Have not been convicted of more than one at-fault auto accident in which there was only property damage or more than one moving violation in which 4 points or fewer were assessed against the person's driver's license; and
- Have not been convicted of an at-fault accident in which bodily injuries occurred or a misdemeanor or felony traffic offense was committed.

Such coverage includes \$50,000 per injured person for medical expenses and \$50,000 per accident for rehabilitative expenses and \$3,000 for legal liability coverage. Requires the insurer to cover a person with personal protection coverage at preferred rates. Allows the insurer to charge a higher rate than the preferred rate if the person with the minimum personal injury protection coverage is convicted of a moving violation or an at-fault auto accident.

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

2           **SECTION 1. Legislative declaration.** The general assembly  
3 hereby finds, determines, and declares that approximately seventeen  
4 percent of the drivers in Colorado are uninsured. Many of these  
5 uninsured drivers are unable to afford auto insurance even under the  
6 existing low income provisions. Offering an additional level of coverage  
7 for persons with a family income that does not exceed one hundred  
8 eighty-five percent of the federal poverty level would reduce the number  
9 of uninsured drivers, encourage responsibility among Coloradans to meet  
10 the requirements of the mandatory auto insurance provisions, and create  
11 a more affordable insurance policy for lower income Coloradans.

12           **SECTION 2.** 10-4-706, Colorado Revised Statutes, is amended  
13 BY THE ADDITION OF A NEW SUBSECTION to read:

14           **10-4-706. Required coverages - complying policies - PIP**  
15 **examination program - repeal.** (7) (a) NOTWITHSTANDING THE  
16 PROVISIONS OF SUBSECTION (1) OR (3) OF THIS SECTION, AN INSURER MAY

1 OFFER, AS AN ALTERNATIVE TO THE COVERAGES REQUIRED UNDER  
2 PARAGRAPHS (b) TO (e) OF SUBSECTION (1) OR (3) OF THIS SECTION, TO  
3 PERSONS QUALIFIED PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (7),  
4 A PERSONAL INJURY PROTECTION POLICY THAT SHALL BE DEEMED TO  
5 PROVIDE MINIMUM COVERAGES REQUIRED FOR COMPLIANCE WITH THIS  
6 PART 7. ACCEPTANCE OF ANY POLICY OFFERED PURSUANT TO THIS  
7 SUBSECTION (7) SHALL BE VOLUNTARY AND SHALL BE SUBJECT TO ALL  
8 REQUIREMENTS OF THIS SUBSECTION (7).

9 (b) FOR PERSONS QUALIFIED PURSUANT TO PARAGRAPH (c) OF THIS  
10 SUBSECTION (7), THE COVERAGES AND LIMITATIONS PROVIDED IN A BASIC  
11 PERSONAL INJURY PROTECTION POLICY SHALL BE AS FOLLOWS:

12 (I) COMPENSATION WITHOUT REGARD TO FAULT, UP TO A LIMIT OF  
13 FIFTY THOUSAND DOLLARS FOR ANY ONE ACCIDENT FOR PAYMENT OF ALL  
14 REASONABLE AND NECESSARY EXPENSES FOR MEDICAL, CHIROPRACTIC,  
15 OPTOMETRIC, PODIATRIC, HOSPITAL, NURSING, X-RAY, DENTAL, SURGICAL,  
16 AMBULANCE, AND PROSTHETIC SERVICES, AND NONMEDICAL REMEDIAL  
17 CARE AND TREATMENT RENDERED IN ACCORDANCE WITH A RECOGNIZED  
18 RELIGIOUS METHOD OF HEALING, PERFORMED WITHIN FIVE YEARS AFTER  
19 THE ACCIDENT FOR BODILY INJURY ARISING OUT OF THE USE OR OPERATION  
20 OF A MOTOR VEHICLE EXCEPT THAT, TO THE EXTENT THAT THE BENEFITS  
21 OFFERED PURSUANT TO THIS PARAGRAPH (b) HAVE NOT BEEN EXHAUSTED,  
22 THE REMAINING VALUE OF SUCH BENEFITS SHALL BE AVAILABLE TO THE  
23 INSURED OR INJURED PERSON ENTITLED TO BENEFITS FOR TREATMENT  
24 PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (b). FOR PURPOSES  
25 OF THIS SUBPARAGRAPH (I), THE TREATMENT OF NEUROLOGIC INJURIES  
26 ALSO KNOWN AS CLOSED-HEAD INJURIES AND THEIR SEQUELAE,  
27 TEMPOROMANDIBULAR JOINT DISORDER, CRANIOMANDIBULAR DISORDER,

1 VESTIBULAR, AUDITORY, OR VISUAL DISORDERS, PSYCHOLOGICAL  
2 DISORDERS, AND COGNITIVE DISORDERS, THAT ARE REASONABLE,  
3 NECESSARY, AND ARISING OUT OF THE USE OR OPERATION OF A MOTOR  
4 VEHICLE, SHALL BE CONSIDERED COVERED MEDICAL OR DENTAL  
5 PROCEDURES.

6 (II) ANY PERSON WHO IS ENTITLED TO BENEFITS UNDER THIS  
7 PARAGRAPH (b) AND IS LESS THAN THIRTEEN YEARS OF AGE WHEN THE  
8 MOTOR VEHICLE ACCIDENT NECESSITATING SUCH BENEFITS OCCURS SHALL  
9 BE SUBJECT TO THE FOLLOWING PROVISIONS:

10 (A) WITHIN FIVE YEARS AFTER THE DATE OF THE ACCIDENT, A  
11 LICENSED PHYSICIAN OR DENTIST MAY RENDER A WRITTEN OPINION, BASED  
12 ON A REASONABLE DEGREE OF MEDICAL PROBABILITY AND SUPPORTED BY  
13 DETAILED AND DESCRIPTIVE OBJECTIVE EVIDENCE, THAT REASONABLE AND  
14 NECESSARY SURGERY OR RECONSTRUCTIVE PROCEDURE CANNOT BE  
15 PROVIDED TO THE CLAIMANT WITHIN FIVE YEARS AFTER THE DATE OF THE  
16 ACCIDENT BECAUSE OF SUCH PERSON'S STATUS OF JUVENILE GROWTH AND  
17 LACK OF PHYSICAL MATURITY. IF SUCH OPINION IS RENDERED, BENEFITS  
18 SHALL BE PAID IN THE FUTURE WHEN EXPENSES ARE INCURRED FOR SUCH  
19 SURGERY OR RECONSTRUCTIVE PROCEDURE, UNLESS A DETERMINATION IS  
20 MADE UNDER SUBSECTION (6) OF THIS SECTION BEFORE SUCH SURGERY OR  
21 RECONSTRUCTIVE PROCEDURE OCCURS THAT IT IS NO LONGER REASONABLE  
22 AND NECESSARY OR THAT THE NEED FOR SUCH SURGERY OR  
23 RECONSTRUCTIVE PROCEDURE WAS NOT CAUSED BY THE MOTOR VEHICLE  
24 ACCIDENT. ANY BENEFITS PAYMENT FOR A REASONABLE AND NECESSARY  
25 SURGERY OR RECONSTRUCTIVE PROCEDURE THAT AROSE OUT OF A MOTOR  
26 VEHICLE ACCIDENT SHALL BE SUBJECT TO THE LIMITS OF COVERAGE IN  
27 FORCE AT THE TIME OF SUCH ACCIDENT. SUCH TREATMENT AND EXPENSES

1 SHALL BE COMPENSATED AS IF THEY WERE PERFORMED WITHIN FIVE YEARS  
2 AFTER THE ACCIDENT IF THEY ARE ACTUALLY INCURRED BEFORE THE  
3 CLAIMANT ATTAINS EIGHTEEN YEARS OF AGE. THIS SUBPARAGRAPH (II)  
4 APPLIES ONLY TO SURGERY OR RECONSTRUCTIVE PROCEDURES OCCURRING  
5 FIVE YEARS, OR MORE, AFTER A MOTOR VEHICLE ACCIDENT, INCLUDING  
6 REASONABLE AND NECESSARY EXPENSES FOR MEDICAL SERVICES,  
7 HOSPITAL, NURSING, AND DIAGNOSTIC PROCEDURES SPECIFICALLY RELATED  
8 THERETO.

9 (B) NO LATER THAN NINETY DAYS BEFORE A FUTURE SURGERY OR  
10 RECONSTRUCTIVE PROCEDURE IS SCHEDULED TO OCCUR, THE CLAIMANT OR  
11 HIS OR HER REPRESENTATIVE OR THE PROVIDER WHO INTENDS TO PERFORM  
12 THE SURGERY OR RECONSTRUCTIVE PROCEDURE SHALL NOTIFY THE  
13 INSURER IN WRITING OF THE SURGERY OR RECONSTRUCTIVE PROCEDURE.  
14 SUCH WRITTEN NOTICE SHALL INCLUDE THE DATE OF THE MOTOR VEHICLE  
15 ACCIDENT, THE CLAIM NUMBER, IF ANY WAS ASSIGNED BY THE INSURER, A  
16 DESCRIPTION OF THE PROPOSED TREATMENT, THE DIAGNOSIS OR  
17 PROGNOSIS, THE DATE THE TREATMENT IS SCHEDULED TO BEGIN, AND THE  
18 NAME, ADDRESS, TELEPHONE NUMBER, AND SPECIALTY OF THE PROVIDER.  
19 THE INSURER MAY USE THE PROCEDURES SET FORTH IN SUBSECTION (6) OF  
20 THIS SECTION TO DETERMINE IF SUCH PROPOSED SURGERY OR  
21 RECONSTRUCTIVE PROCEDURE IS REASONABLE AND NECESSARY AND AROSE  
22 OUT OF THE SUBJECT MOTOR VEHICLE ACCIDENT.

23 (C) ANY FUTURE SURGERY OR RECONSTRUCTIVE PROCEDURE THAT  
24 IS PAID ON BEHALF OF A CLAIMANT UNDER THIS SUBPARAGRAPH (II) SHALL  
25 BE IN ADDITION TO ANY MEDICAL BENEFITS PAID FOR TREATMENT AND  
26 EXPENSES INCURRED WITHIN FIVE YEARS AFTER THE ACCIDENT, SUBJECT TO  
27 APPLICABLE COVERAGE LIMITS IN FORCE AT THE TIME OF THE ACCIDENT.

1 (D) THE TREATING PROVIDER SHALL MAINTAIN THE ORIGINALS OF  
2 ALL MEDICAL REPORTS, OFFICE NOTES, TESTS, X RAYS, DIAGNOSTIC  
3 STUDIES, AND ALL OTHER RECORDS OF ANY KIND IN SUCH PROVIDER'S FILE  
4 UNTIL THE CLAIMANT IS EIGHTEEN YEARS OF AGE. THE PROVIDER OR THE  
5 PROVIDER'S SUCCESSOR IN INTEREST SHALL PRODUCE UPON WRITTEN  
6 REQUEST ALL SUCH DOCUMENTS, OR COPIES THEREOF, AS APPROPRIATE, TO  
7 ANY SUBSEQUENT PROVIDER TREATING THE CLAIMANT, TO ANY PROVIDER  
8 PERFORMING A PIP EXAMINATION UNDER SUBSECTION (6) OF THIS SECTION,  
9 AND TO THE INSURER.

10 (E) ANY BENEFITS PAYABLE UNDER THIS SUBPARAGRAPH (II) SHALL  
11 BE SUBJECT TO ALL PROVISIONS OF THE UNDERLYING INSURANCE POLICY,  
12 INCLUDING ANY MANAGED CARE ARRANGEMENTS.

13 (F) NO INSURER SHALL BE REQUIRED TO MAINTAIN A PIP CLAIM  
14 FILE LONGER THAN IS REQUIRED BY APPLICABLE LAW UNLESS THE CLAIM  
15 FILE CONTAINS A WRITTEN OPINION RECEIVED BY THE INSURER WITHIN FIVE  
16 YEARS AFTER THE DATE OF THE ACCIDENT, PURSUANT TO  
17 SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II). ANY INSURER THAT  
18 RECEIVES SUCH A WRITTEN OPINION SHALL MAINTAIN SUCH CLAIM FILE  
19 UNTIL THE CLAIMANT RECEIVES THE NECESSARY SURGERY OR  
20 RECONSTRUCTIVE PROCEDURE OR ATTAINS EIGHTEEN YEARS OF AGE.

21 (III) (A) COMPENSATION WITHOUT REGARD TO FAULT UP TO A LIMIT  
22 OF FIFTY THOUSAND DOLLARS PER PERSON FOR ANY ONE ACCIDENT WITHIN  
23 TEN YEARS AFTER SUCH ACCIDENT FOR PAYMENT OF THE COST OF  
24 REHABILITATION PROCEDURES OR TREATMENT AND REHABILITATIVE  
25 OCCUPATIONAL TRAINING NECESSARY BECAUSE OF BODILY INJURY ARISING  
26 OUT OF THE USE OR OPERATION OF A MOTOR VEHICLE.

27 (B) FOR PURPOSES OF THIS SUBPARAGRAPH (III), THE TREATMENT

1 OF NEUROLOGIC INJURIES ALSO KNOWN AS CLOSED-HEAD INJURIES AND  
2 THEIR SEQUELAE, TEMPOROMANDIBULAR JOINT DISORDER,  
3 CRANIOMANDIBULAR DISORDER, VESTIBULAR, AUDITORY, OR VISUAL  
4 DISORDERS, PSYCHOLOGICAL DISORDERS, AND COGNITIVE DISORDERS,  
5 ARISING OUT OF THE USE OR OPERATION OF A MOTOR VEHICLE, THAT  
6 CONTRIBUTES SUBSTANTIALLY TO REHABILITATION AND THE COST OF  
7 WHICH IS REASONABLE IN RELATION TO ITS PROBABLE REHABILITATIVE  
8 EFFECT, SHALL BE CONSIDERED A COVERED REHABILITATION TREATMENT  
9 OR PROCEDURE.

10 (C) THE PROCEDURES, TREATMENT, OR COURSE OF REHABILITATION  
11 SHALL MEET THE SAME STANDARDS AS PARAGRAPH (c) OF SUBSECTION (1)  
12 OF THIS SECTION.

13 (IV) COMPENSATION ON ACCOUNT OF THE DEATH OF A PERSON FOR  
14 WHOM DIRECT BENEFITS ARE PROVIDED UNDER THIS SECTION, PAYABLE TO  
15 THE ESTATE OF THE DECEASED, IN THE TOTAL AMOUNT OF ONE THOUSAND  
16 DOLLARS.

17 (V) (A) WITH RESPECT TO THE MEDICAL AND REHABILITATION  
18 EXPENSE PROVISIONS IN THIS PARAGRAPH (b), AN INSURER SHALL MAKE  
19 AVAILABLE AND PROVIDE AT THE OPTION OF THE NAMED INSURED,  
20 DEDUCTIBLES AND COINSURANCE ARRANGEMENTS. PURSUANT TO SUCH  
21 DEDUCTIBLES AND COINSURANCE ARRANGEMENTS, THE RECIPIENT OF THE  
22 CARE, TREATMENT, SERVICES, PRODUCTS, EXPENSES, OR  
23 ACCOMMODATIONS SHALL SHARE IN THE PAYMENT OBLIGATIONS FOR SUCH  
24 CARE, TREATMENT, SERVICES, PRODUCTS, EXPENSES, OR  
25 ACCOMMODATIONS.

26 (B) ANY DEDUCTIBLES AND COINSURANCE ARRANGEMENTS  
27 PROVIDED PURSUANT TO THIS SUBPARAGRAPH (V) SHALL APPLY ONLY TO

1 THE NAMED INSURED, RESIDENT SPOUSE, RESIDENT RELATIVE, AND PERSONS  
2 OPERATING THE COVERED MOTOR VEHICLE WITH THE PERMISSION OF THE  
3 NAMED INSURED OR RESIDENT SPOUSE; EXCEPT THAT ANY POLICY OF SUCH  
4 PERMISSIVE OPERATOR SHALL BE PRIMARY.

5 (VI) LEGAL LIABILITY COVERAGE FOR BODILY INJURY OR DEATH  
6 ARISING OUT OF THE USE OF THE MOTOR VEHICLE TO A LIMIT, EXCLUSIVE OF  
7 INTEREST AND COSTS, OF TWENTY-FIVE THOUSAND DOLLARS TO ANY ONE  
8 PERSON IN ANY ONE ACCIDENT AND FIFTY THOUSAND DOLLARS TO ALL  
9 PERSONS IN ANY ONE ACCIDENT AND FOR PROPERTY DAMAGE ARISING OUT  
10 OF THE USE OF THE MOTOR VEHICLE TO A LIMIT, EXCLUSIVE OF INTEREST  
11 AND COSTS, OF FIFTEEN THOUSAND DOLLARS IN ANY ONE ACCIDENT.

12 (c) (I) (A) TO QUALIFY FOR A PERSONAL INJURY PROTECTION  
13 POLICY PURSUANT TO THIS SUBSECTION (7), THE COMBINED ANNUAL GROSS  
14 INCOME OF A PERSON APPLYING FOR SUCH A POLICY AND SUCH PERSON'S  
15 RESIDENT SPOUSE, IF ANY, SHALL NOT EXCEED ONE HUNDRED EIGHTY-FIVE  
16 PERCENT OF THE FEDERAL POVERTY LEVEL FOR A FAMILY OF FOUR,  
17 ADJUSTED UPWARD FOR FAMILY SIZE.

18 (B) ON OR BEFORE JANUARY 1 OF EACH YEAR, THE COMMISSIONER  
19 SHALL PRESCRIBE INCOME GUIDELINES FOR DETERMINING ELIGIBILITY FOR  
20 A BASIC PERSONAL INJURY PROTECTION PROGRAM BASED UPON THE  
21 APPLICABLE FAMILY SIZE INCOME LEVELS CONTAINED IN THE NONFARM  
22 INCOME POVERTY GUIDELINES PRESCRIBED BY THE FEDERAL DEPARTMENT  
23 OF HEALTH AND HUMAN SERVICES.

24 (C) INCOME VERIFICATION FOR A MINIMUM PERSONAL INJURY  
25 PROTECTION POLICY SHALL BE THROUGH WRITTEN EVIDENCE FROM THE  
26 PERSON SEEKING TO QUALIFY FOR A POLICY ISSUED PURSUANT TO THIS  
27 SUBSECTION (7) OF THE ANNUAL GROSS INCOME OF SUCH PERSON AND SUCH



1 PERSON'S RESIDENT SPOUSE FOR THE MOST RECENT TAX YEAR AVAILABLE.  
2 SUCH EVIDENCE SHALL BE CONTAINED IN A DOCUMENT ACCEPTABLE TO THE  
3 POLICY PROVIDER. FOR PERSONS QUALIFIED PURSUANT TO THIS  
4 PARAGRAPH (c), FURTHER VERIFICATION OF ANNUAL GROSS INCOME SHALL  
5 BE REQUIRED IN THE SAME MANNER EVERY THIRD YEAR FOLLOWING THE  
6 DATE UPON WHICH THE POLICY IS ISSUED. [REDACTED]

7 (II) TO QUALIFY FOR A PERSONAL INJURY PROTECTION POLICY  
8 PURSUANT TO THIS SUBSECTION (7), A PERSON SHALL NOT HAVE BEEN  
9 CONVICTED OF ANY MOVING VIOLATION IN THIS STATE OR ANOTHER STATE.

10 (III) TO QUALIFY FOR A PERSONAL INJURY PROTECTION POLICY  
11 PURSUANT TO THIS SUBSECTION (7), THE PERSON SHALL HAVE MAINTAINED  
12 A VALID DRIVER'S LICENSE IN THIS STATE, OR ANOTHER STATE OR COUNTRY  
13 FOR AT LEAST THREE YEARS. [REDACTED]

14 (d) ANY INSURER PROVIDING POLICIES PURSUANT TO THIS  
15 SUBSECTION (7) MAY OFFER TO ANY PERSON QUALIFIED FOR SUCH POLICIES  
16 PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (7) ANY  
17 COST-CONTAINMENT MEASURE, AS A PART OF ANY SUCH POLICY, AS  
18 SPECIFIED IN SUBSECTION (2) OF THIS SECTION.

19 (e) (I) ANY INSURER PROVIDING POLICIES PURSUANT TO THIS  
20 SUBSECTION (7) SHALL PROVIDE TO ANY PERSON QUALIFIED FOR SUCH  
21 POLICIES PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (7) A LOSS OF  
22 GROSS INCOME BENEFIT; EXCEPT THAT THE INSURED MAY WAIVE LOSS OF  
23 GROSS INCOME BENEFITS. THE INSURER SHALL PROVIDE A NOTICE  
24 REGARDING THE OPPORTUNITY TO WAIVE SUCH COVERAGE AS REQUIRED IN  
25 SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF PARAGRAPH (d) OF  
26 SUBSECTION (1) OF THIS SECTION. FOR AN APPLICATION FOR A NEW POLICY  
27 AND UPON THE FIRST RENEWAL OF A POLICY EXISTING ON AUGUST 15, 2001,

1 AN INSURED MAY WAIVE SUCH COVERAGE BY SIGNING A WRITTEN WAIVER  
2 IN THE FORM REQUIRED BY SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH  
3 (III) OF PARAGRAPH (d) OF SUBSECTION (1) OF THIS SECTION. SUCH BENEFIT  
4 SHALL BE FOR A LOSS OF GROSS INCOME DUE TO AN INJURY ARISING OUT OF  
5 THE USE OR OPERATION OF A MOTOR VEHICLE IF SUCH INJURY PREVENTS  
6 THE INJURED INSURED FROM EARNING INCOME OF UP TO AND INCLUDING  
7 FIVE THOUSAND DOLLARS WHICH SHALL BE PAID PURSUANT TO PARAGRAPH  
8 (e) OF SUBSECTION (3) OF THIS SECTION.

9 (II) A LOSS OF GROSS INCOME BENEFIT SHALL NOT BE PAYABLE FOR  
10 MORE THAN FIFTY-TWO WEEKS.

11 (f) (I) THE BASIC PERSONAL INJURY PROTECTION POLICY SHALL  
12 APPLY ONLY TO THE NAMED INSURED, RESIDENT SPOUSE, AND RESIDENT  
13 CHILD. FOR PURPOSES OF THIS SUBSECTION (7), A CHILD IS A RESIDENT IF  
14 SUCH CHILD QUALIFIES AS A DEPENDENT OF THE NAMED INSURED UNDER  
15 THE FEDERAL INCOME TAX CODE, 26 U.S.C. SEC. 152.

16 (II) ANY PERSON INJURED IN AN ACCIDENT, OTHER THAN THOSE  
17 PERSONS WHOSE COVERAGE IS SPECIFICALLY LIMITED IN A PERSONAL  
18 INJURY PROTECTION POLICY PURSUANT TO SUBPARAGRAPH (I) OF THIS  
19 PARAGRAPH (f), SHALL, IF EXPENSES INCURRED BY SUCH INJURED PERSON  
20 EXCEED THE LIMITS OF SUCH BASIC PERSONAL INJURY PROTECTION POLICY,  
21 RECEIVE COVERAGE FOR SUCH EXPENSES OF NOT LESS THAN THE BASIC  
22 COVERAGES MANDATED BY PARAGRAPHS (b) TO (e) OF SUBSECTION (1) OF  
23 THIS SECTION.

24 (g) (I) INSURERS SHALL OFFER PREMIUMS FOR PERSONS ELIGIBLE  
25 FOR THIS PERSONAL INJURY PROTECTION COVERAGE EQUAL TO THE  
26 PREMIUMS OFFERED FOR PREFERRED INSURED. THE INSURER MAY  
27 DISCONTINUE COVERAGE FOR A PERSON WITH PERSONAL INJURY

1 PROTECTION BENEFITS PURSUANT TO THIS SUBSECTION (7) IN THE EVENT  
2 THE PERSON IS INVOLVED IN AN ACCIDENT IN WHICH THE PERSON IS  
3 DETERMINED TO BE AT FAULT AND IN WHICH BODILY INJURIES WERE  
4 SUSTAINED BY EITHER SUCH PERSON OR ANOTHER PERSON.

5 (II) THE INSURER SHALL MAINTAIN A PERSON WITH A MINIMUM  
6 PERSONAL INJURY PROTECTION COVERAGE PURSUANT TO THIS SUBSECTION  
7 (7) IN A PREMIUM CATEGORY EQUAL TO THE PREFERRED INSURED  
8 CATEGORY FOR TWO YEARS IF THE PERSON DOES NOT VIOLATE THE  
9 PROVISIONS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (g).

10 **SECTION 3.** 10-4-708 (1) and (2), Colorado Revised Statutes, are  
11 amended to read:

12 **10-4-708. Prompt payment of direct benefits.** (1) Payment of  
13 benefits under the coverages enumerated in section 10-4-706 (1) (b) to (1)  
14 (e) or alternatively, as applicable, section 10-4-706 (2), ~~or~~ (3), OR (7) shall  
15 be made on a monthly basis. Benefits for any period are overdue if not  
16 paid within thirty days after the insurer receives reasonable proof of the  
17 fact and amount of expenses incurred during that period; except that an  
18 insurer may accumulate claims for periods not exceeding one month, and  
19 benefits are not overdue if paid within fifteen days after the period of  
20 accumulation. If reasonable proof is not supplied as to the entire claim,  
21 the amount supported by reasonable proof is overdue if not paid within  
22 thirty days after such proof is received by the insurer. Any part or all of  
23 the remainder of the claim that is later supported by reasonable proof is  
24 overdue if not paid within thirty days after such proof is received by the  
25 insurer. In the event that the insurer fails to pay such benefits when due,  
26 the person entitled to such benefits may bring an action in contract to  
27 recover the same.

1 (2) Benefits provided under section 10-4-706 (1) (b) to (1) (e) or  
2 alternatively, as applicable, section 10-4-706 (2), ~~or~~ (3), OR (7) may be  
3 paid by the insurer directly to any person supplying necessary care,  
4 treatment, products, services, or accommodations to the person for whom  
5 benefits are required under section 10-4-706 (1) (b) to (1) (e) or  
6 alternatively, as applicable, section 10-4-706 (2), ~~or~~ (3), OR (7).

7 **SECTION 4.** 10-4-709 (1), Colorado Revised Statutes, is  
8 amended to read:

9 **10-4-709. Coordination of benefits.** (1) To avoid duplication of  
10 benefits available through other insurance or contract rights, providers of  
11 other benefits under sections 10-16-104 (3) (b) (II) and (5), 10-16-108 (1)  
12 and (3), 10-16-214, AND 10-16-311, and parts 1 and 4 of article 16 of this  
13 title are hereby required to coordinate such benefits with coverages  
14 required under section 10-4-706 (1) (b) to (1) (e) or alternatively, as  
15 applicable, section 10-4-706 (2), ~~or~~ (3), OR (7) and all providers of other  
16 benefits are expressly authorized to coordinate such benefits with  
17 coverages required under this part 7. The coordination of benefits  
18 provided in this subsection (1) shall apply to agreements entered into on  
19 or after April 1, 1974.

20 **SECTION 5.** 10-4-710 (1), Colorado Revised Statutes, is  
21 amended to read:

22 **10-4-710. Required coverages are minimum.** (1) Nothing in  
23 this part 7 shall be construed to prohibit the issuance of policies providing  
24 coverages more extensive than the minimum coverages required under this  
25 part 7 nor to require the segregation of such minimum coverages from  
26 other coverages in the same policy. However, loss statistics as to bodily  
27 injury liability, property damage liability, and benefits under section

1 10-4-706 (1) (b) to (1) (e) or alternatively, as applicable, section 10-4-706  
2 (2), ~~or~~ (3), OR (7) shall be kept separately for rating purposes and such  
3 statistics shall be filed with the commissioner each year.

4 **SECTION 6. Effective date - applicability.** (1) This act shall  
5 take effect at 12:01 a.m. on the day following the expiration of the  
6 ninety-day period after final adjournment of the general assembly that is  
7 allowed for submitting a referendum petition pursuant to article V, section  
8 1 (3) of the state constitution; except that, if a referendum petition is filed  
9 against this act or an item, section, or part of this act within such period,  
10 then the act, item, section, or part, if approved by the people, shall take  
11 effect on the date of the official declaration of the vote thereon by  
12 proclamation of the governor.

13 (2) The provisions of this act shall apply to auto insurance policies  
14 issued or renewed on or after the applicable effective date of this act.