

AMENDED REGULATION 6-1-1

LIMITING COVERAGE

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Section 1 Authority

This regulation is published under the authority of Sections 10-1-108 (8), and 10-1-109, Colorado Revised Statutes.

Section 2 Background and Purpose

The purpose of this regulation is to prescribe conditions to be met by all insurers issuing policies, riders, endorsements, and amendments which limit the coverage usually and normally afforded.

Section 3 Applicability and Scope

It is the responsibility of all insurance companies to see that all purchasers of policies issued by them are fully informed as to the coverages provided in those policies and the specific premiums charged for the particular perils insured and for any limitations, exceptions, or exclusions for which coverage is not provided.

Section 4 Standards

A. Life And Accident And Health Insurance

Any riders, endorsements, or amendments which limit coverage afforded by an existing policy shall not be effective unless and until the name insured has signified his acceptance thereof by placing his signature on the proposed rider, endorsement, or amendment, one signed and dated copy of which must be attached to the policy.

B. Property And Casualty Insurance

1. Section 4A, above, applies.
2. The insured is entitled to cancellation of the policy contract and to a pro rata return of the premium paid thereon if he does not wish to accept the proposed limitation.
3. In addition, there must be a return to the insured at that time of the unearned premium covering the period or indemnity which is eliminated by the insured's acceptance of the limiting rider, endorsement, or amendment.
4. If an automobile policy is obtained from an insurance company which does not provide liability coverage for bodily injury and property damage, the following must be conspicuously displayed in 10 point print or larger, on the face of the policy and on the form furnished the insured:

“THIS POLICY DOES NOT MEET THE STATUTORY REQUIREMENTS OF THIS STATE’S ‘FINANCIAL RESPONSIBILITY’ LAWS. IT DOES NOT PROVIDE LIABILITY COVERAGE FOR BODILY INJURY OR PROPERTY DAMAGE.”

Section 5 Enforcement

Noncompliance with this regulation may result, after proper notice and hearing, in the imposition, against any insurer, of any of the sanctions made available to the Commissioner in the Colorado Insurance Laws which includes, but is not limited to: fines, cease and desist orders, and suspension and/or revocation of a license or certificate of authority.

Section 6 Severability

If any provision of this Regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the Regulation shall not be affected thereby.

Section 7 Effective Date

This regulation is effective February 1, 2004

Section 8 History

This regulation was originally effective in 1974.
Amended Regulation 6-1-1 effective February 1, 2004.