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Editorial (Letter to the Editor) -- January 20, 2009
How the new Med-Pay law will affect consumers

By Marcy Morrison, Colorado Commissioner of Insurance

I would like to take this opportunity to clarify a few points about a new Colorado insurance law and how it will affect you. This law, effective Jan. 1, requires insurance companies to include a minimum amount of medical payment coverage on all automobile insurance policies issued in the state.

Often called "Med-Pay" for short, medical payment coverage is a required type of insurance which provides at least \$5,000 coverage for the insured driver and passengers to pay for injuries sustained in a car accident, regardless of who is at fault.

Med-Pay coverage was designed to help cover immediate medical costs, up to the limit purchased by the consumer, including first responder and emergency room costs, to an insured driver and passengers, regardless of responsibility for an auto accident. Without Med-Pay benefits, auto insurance policies may not cover medical costs for insured parties when injured in an automobile accident.

The reason the bill was passed by the legislature was clear: many people need immediate financial assistance following an accident – whether or not at fault. The rush of medical bills can be overwhelming, at a time when concentrating on recovery is most important.

This law requires additional insurance coverage to be provided, which means additional premium cost is passed on to consumers. However, it also provides a critical financial safety net for consumers and sets priority payment to emergency first-responders, ambulance services and others who provide emergency medical care.

If you are certain you have financial resources to cover immediate medical expenses, and you do not want Med-Pay coverage, every policy carries an "opt-out" provision, meaning you do not have to purchase the additional insurance. The option notice to refuse the coverage is included in every auto insurance policy or renewal notice after Jan. 1 this year.

If you do not refuse the Med-Pay coverage, the cost is added to your existing premium. You will then have Med-Pay coverage for medical bills, particularly emergency room services, immediate medical tests, and ambulance transport, should you be involved in an auto accident.

If you have questions about Med-Pay, there is a list of frequently asked questions on the Division of Insurance website. You may also call the Insurance consumer answer line at 303-894-7490 (metro area) or 800-930-3745, toll-free outside of Denver.

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