

**DEPARTMENT OF REGULATORY AGENCIES**

**Division of Insurance**

**3 CCR 702-4**

**LIFE, ACCIDENT AND HEALTH**

~~Repealed and Repromulgated~~ **Proposed Amended** Regulation 4-2-2 ~~(In Full)~~

**HOSPITAL INDEMNITY AND DISABILITY INCOME POLICIES**

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**Section 1 Authority**

This regulation is issued based upon the authority granted the commissioner under §§ 10-1-109 and 10-16-109, C.R.S.

**Section 2 Scope and Purpose**

This regulation prohibits insurers from refusing to pay benefits under certain contracts because of hospitalization in government hospitals.

**Section 3 Scope Applicability**

This regulation applies to all hospital, indemnity and disability income policies, contracts, riders, endorsements, etc., which provide benefits because of hospitalization or disability originating out of hospitalization hereinafter referred to as hospital indemnity and disability income policies. It does not apply to hospital expense policies.

**Section 4 Definitions**

For the purposes of this regulation:

- A. "Disability income policy" means a policy that provides periodic payments to replace income lost when the insured is unable to work as the result of a sickness or injury.
- B. "Government hospital" means any hospital under governmental control whether federal, state, county or city. It includes Veterans Administration hospitals.
- C. "Hospital indemnity policy" means a policy that provides a stated daily, weekly or monthly payment while the insured is hospitalized, regardless of expenses incurred and regardless of whether or not other insurance is in force. The insured can use the daily, weekly or monthly benefit as (s)he chooses, for hospital or other expenses.

## **Section 5** Rules

All hospital indemnity and disability income policies delivered or issued for delivery in the State of Colorado which provide benefits predicated on hospitalization will not in any way deny such benefits on the basis that such hospitalization was in a government hospital.

## **Section 6 Severability**

~~If any provision of this regulation or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of the regulation shall not be affected.~~

## **Section 6-7 Enforcement**

Noncompliance with this regulation may result, after proper notice and hearing, in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance or other laws which include the imposition of fines, ~~issuance of cease and desist orders,~~ and/or suspension or revocation of ~~license certificates of authority.~~ ~~Among others, the penalties provided in § 10-3-1108, C.R.S. may be applied.~~

## ~~Section 7. Severability~~

~~If any provisions of this regulation or the application thereof to any person or circumstances are for any reason held to be invalid, the remainder of the regulation shall not be affected in any way.~~

## **Section 8 Effective Date**

This regulation ~~as amended shall become is~~ effective ~~January 1, 2001-June 1, 2010.~~

## **Section 9 History**

Originally issued as Regulation 74-4, effective July 1, 1974.  
Renumbered as Regulation 4-2-2, effective June 1, 1992.  
Repealed and Repromulgated in full, effective January 1, 2001.  
~~Amended Regulation 4-2-2, effective June 1, 2010.~~