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Legislature '98

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Panel backs cut in no-fault limits

House Transportation members vote \$5,000 minimum on auto policy

By Dan Luzadder

Rocky Mountain News Capitol Bureau

Despite warnings of catastrophic consequences for accident victims, the House Transportation Committee voted Wednesday to slash coverage limits of Colorado's mandatory no-fault auto insurance.

The state's insurance requirements currently call for a minimum \$50,000 in coverage. HB 1104, by Rep. Jennifer Veiga, D-Denver, would drop that to \$5,000.

Minimum coverage for rehabilitation procedures would also drop from \$50,000 to \$5,000, and loss of

income protection would go from a minimum of \$400 a week to a total of \$5,000. No-fault insurance guarantees coverage for medical and other expenses regardless of who is at fault for the accident.

The bill requires insurance companies to also offer higher coverage amounts.

Veiga told the committee the bill was a step toward bringing down Colorado's hefty auto insurance rates, which are now the 13th most expensive among the 50 states.

But critics of the bill — which included some insurance carriers, hospital associations and medical professionals — said the coverage limits would barely make a dent in hefty medical costs.

They also argued that premiums were likely to drop rates by only

\$140 a year — if insurance companies passed along the savings — which would not make up for the loss of coverage.

Witnesses said the expense of treatment could easily exceed the coverage limits proposed, even in accidents that aren't serious.

Ken Spresser, representing the Colorado Chiropractors Association, also criticized the bill.

"We're always trying to fix a problem with a Band-Aid," Spresser told the committee. "People who choose limits of \$5,000 could run through that amount in trauma in a few hours."

He said the result would be medical expenses picked up by taxpayers through Medicaid, and called the low-limit policies a prescription for people to become "destitute."