



## Consumer Protection

During the 2021 legislative session, the General Assembly considered several consumer protection measures related to mortgage lenders, online dating services, after-market airbags, and towing companies.

### Headline

Under *House Bill 21-1193* it is a deceptive trade practice to knowingly or intentionally manufacture, import, distribute, sell, offer for sale, install, or reinstall a supplemental restraint system or airbag in a vehicle if the device is counterfeit or nonfunctional. In addition, a vehicle repair shop is prohibited from installing or reinstalling a device that causes a vehicle's diagnostic system to fail to warn that the airbag is counterfeit, non-functional, or that the vehicle has no airbag.

*House Bill 21-1283* requires the Department of Regulatory Agencies to conduct a sunset review of the Public Utilities Commission's regulation of towing carriers by September 1, 2025. The review must examine complaints against towing carriers and consider whether the towing industry and consumers would benefit from a dispute resolution process for complaints. Beginning November 1, 2021, the bill adds five new members to the Towing Task Force that will represent consensual and nonconsensual towing services, motor carriers, consumer protection, the disabled community, and disproportionately affected communities.

Under *House Bill 21-1239*, the buyer of an online dating service contract has three days to cancel after signing the contract. The contract must include a notice of cancellation that specifies the rights of the buyer. The service must also maintain a reference to dating safety, provide timely notice of a banned member, and provide a way for members to report issues or concerns with the service. In addition, the bill requires the service to conspicuously present automatic renewal terms for paid subscriptions or purchasing agreements and obtain affirmative consent prior to charging the member's credit card. Finally, the service must provide a written acknowledgement of terms, provide a clear and conspicuous explanation of the subscription price following a free trial period, and provide a simple way for a member to cancel the service.

Beginning January 31, 2022, *House Bill 21-1282* will require nonbank mortgage services to register with the Department of Law and pay an annual fee. The bill creates the Colorado Nonbank Mortgage Servicer Act and requires that these servicers abide by requirements related to record-keeping, reporting, record requests, examinations, and inspections. The Department of Law will respond to complaints and conduct investigations and examinations to determine compliance with the act. Mortgage servicers that do not comply with the act may be subject to civil actions, cease and desist orders, and may be required to provide refunds to consumers.

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## Consumer Protection (cont'd)

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Beginning January 1, 2022, insurers are prohibited from considering an individual's race, color, national, or ethnic origin, religion, sex, sexual orientation, disability, or transgender status in any insurance practice.

*Senate Bill 21-169* prohibits an insurer from directly or indirectly using an external consumer data and information source, algorithms, or predictive models that unfairly discriminate against an individual that falls into any of the above categories. An insurer in any insurance practice is required to provide the Division of Insurance within the Department of Regulatory Agencies with specific disclosures to determine whether their models or processes are discriminatory and should be prohibited.