

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business Affairs & Labor.

HB22-1111 be amended as follows:

1 Amend printed bill, page 2, strike line 2 and substitute:

2 "SECTION 1. In Colorado Revised Statutes, 10-4-110.8, **amend**
3 (3) introductory portion and (3)(g); and **add** (3)(h), (3)(i), (13),".

4 Page 2, line 7, after "**concerning**" insert "**total**".

5 Page 2, strike lines 8 and 9 and substitute "**scenarios resulting from**
6 **wildfire disasters - definitions - rules.** (3) For the purposes of AS USED
7 in this section, unless the context otherwise requires:

8 (g) ~~"Recoverable depreciation" means the difference between the~~
9 ~~cost to replace insured property and the actual cash value of the~~
10 ~~property.~~ (I) "OWNER-OCCUPIED RESIDENCE" MEANS A RESIDENCE THAT
11 IS OCCUPIED PRIMARILY FOR THE USE OF THE OWNER AND THE OWNER'S
12 DESIGNEES.

13 (II) "OWNER-OCCUPIED RESIDENCE" INCLUDES, BUT IS NOT
14 LIMITED TO, AN OWNER-OCCUPIED PRIMARY RESIDENCE.

15 (III) "OWNER-OCCUPIED RESIDENCE" DOES NOT INCLUDE ANY
16 PROPERTY THAT IS INSURED UNDER A COMMERCIAL INSURANCE OR
17 AGRIBUSINESS POLICY.

18 (h) "RECOVERABLE DEPRECIATION" MEANS THE DIFFERENCE
19 BETWEEN THE COST TO REPLACE INSURED PROPERTY AND THE ACTUAL
20 CASH VALUE OF THE PROPERTY.

21 (i) "WILDFIRE" MEANS AN UNWANTED FIRE, INCLUDING ANY:

22 (I) UNAUTHORIZED AND ACCIDENTALLY HUMAN-CAUSED FIRE;

23 (II) ESCAPED PRESCRIBED FIRE PROJECT; AND

24 (III) OTHER FIRE WHERE THE OBJECTIVE IS TO PUT THE FIRE OUT.

25 (13) IN OFFERING, ISSUING, OR RENEWING A PROPERTY AND
26 CASUALTY INSURANCE".

27 Page 2, strike lines 13 through 20 and substitute "EVENT OF A TOTAL LOSS
28 OF AN OWNER-OCCUPIED RESIDENCE, INCLUDING THE CONTENTS OF THE
29 OWNER-OCCUPIED RESIDENCE, WHICH LOSS OCCURS AS A RESULT OF A
30 WILDFIRE DISASTER THAT THE GOVERNOR DECLARES PURSUANT TO
31 SECTION 24-33.5-704:

32 (a) A POLICY OF HOMEOWNERS INSURANCE MAY NOT LIMIT OR
33 DENY A PAYMENT OF THE BUILDING CODE UPGRADE COST, INCLUDING A
34 PAYMENT OF ANY EXTENDED REPLACEMENT COST AVAILABLE UNDER THE
35 POLICY COVERAGE, FOR A POLICYHOLDER'S STRUCTURE THAT WAS A
36 TOTAL LOSS ON THE BASIS THAT THE POLICYHOLDER DECIDED TO REBUILD

1 IN A NEW LOCATION OR TO PURCHASE AN EXISTING STRUCTURE IN A NEW
2 LOCATION IF THE POLICY OTHERWISE COVERS THE REPLACEMENT COST OR
3 BUILDING CODE UPGRADE COST; EXCEPT THAT THE MEASURE OF
4 INDEMNITY MAY NOT EXCEED THE REPLACEMENT COST, BUILDING CODE
5 UPGRADE COST, OR EXTENDED REPLACEMENT COST FOR REPAIRING,
6 REBUILDING, OR REPLACING THE STRUCTURE AT THE ORIGINAL LOCATION
7 OF THE LOSS.

8 (b) IF A POLICY OF HOMEOWNERS INSURANCE REQUIRES A
9 POLICYHOLDER TO REPAIR, REBUILD, OR REPLACE DAMAGED OR LOST
10 PROPERTY IN ORDER TO COLLECT THE FULL REPLACEMENT COST FOR THE
11 PROPERTY, THE INSURER, SUBJECT TO THE POLICY LIMITS, SHALL:".

12 Reletter succeeding paragraphs accordingly.

13 Page 2, line 23, after "INSURED" insert "OWNER-OCCUPIED".

14 Page 3, line 2, strike "(13)(a)(I)" and substitute "(13)(b)(I)".

15 Page 3, strike lines 5 through 11 and substitute "DILIGENCE, ENCOUNTERS
16 UNAVOIDABLE DELAYS IN OBTAINING A CONSTRUCTION PERMIT, LACKS
17 NECESSARY CONSTRUCTION MATERIALS, LACKS AVAILABLE CONTRACTORS
18 TO PERFORM NECESSARY WORK OR ENCOUNTERS OTHER CIRCUMSTANCES
19 BEYOND THE POLICYHOLDER'S CONTROL. THIS SUBSECTION (13)(b)(II)
20 DOES NOT PROHIBIT AN INSURER FROM ALLOWING A POLICYHOLDER
21 ADDITIONAL TIME TO COLLECT THE FULL REPLACEMENT COST FOR LOST OR
22 DAMAGED PROPERTY OR FOR ADDITIONAL LIVING EXPENSES.".

23 Page 3, line 15, strike "THIRTY-SIX" and substitute "TWENTY-FOUR".

24 Page 3, strike lines 17 through 26 and substitute "OPPORTUNITY TO TWICE
25 EXTEND SUCH PERIOD BY SIX MONTHS IF THE POLICYHOLDER, ACTING IN
26 GOOD FAITH AND WITH REASONABLE DILIGENCE, ENCOUNTERS A DELAY OR
27 DELAYS IN RECEIVING NECESSARY PERMIT APPROVALS FOR, OR
28 RECONSTRUCTION OF, THE INSURED OWNER-OCCUPIED RESIDENCE, WHICH
29 DELAYS ARE BEYOND THE CONTROL OF THE POLICYHOLDER.

30 (d) THE POLICY MUST PROVIDE THAT, NOTWITHSTANDING
31 SUBSECTION (11)(c) OF THIS SECTION, TO REPLACE PROPERTY AND RECEIVE
32 RECOVERABLE DEPRECIATION ON THAT PROPERTY, AN INSURER SHALL
33 ALLOW THE POLICYHOLDER THE GREATER OF:

34 (I) AT LEAST THREE HUNDRED SIXTY-FIVE DAYS AFTER THE
35 EXPIRATION OF ALE; OR

36 (II) THIRTY-SIX MONTHS AFTER THE INSURER PROVIDES THE
37 POLICYHOLDER THE FIRST PAYMENT TOWARD THE ACTUAL CASH VALUE OF

- 1 SUCH LOSS."
- 2 Reletter succeeding paragraphs accordingly.
- 3 Page 4, line 2, after "INSURED" insert "OWNER-OCCUPIED".
- 4 Page 4, line 4, after "INSURED" insert "OWNER-OCCUPIED".
- 5 Page 4, strike line 12 and substitute "REPLACEMENT RESIDENCE IF THE
6 COVERAGE LIMIT THAT APPLIES TO THE POLICYHOLDER'S OWNER-OCCUPIED
7 RESIDENCE IS INSUFFICIENT TO PAY FOR REBUILDING OR REPLACING THE
8 OWNER-OCCUPIED PRIMARY RESIDENCE."
- 9 Page 4, strike lines 14 through 25 and substitute "CLAIM UNDER AN ISSUED
10 POLICY, AN INSURER SHALL PROVIDE TO THE POLICYHOLDER:
11 (I) APPROPRIATE CONTACT INFORMATION THAT ALLOWS FOR
12 DIRECT CONTACT WITH EITHER AN EMPLOYEE OF THE INSURER OR A
13 REPRESENTATIVE WHO IS CAPABLE OF ELEVATING COMPLAINTS OR
14 INQUIRIES TO AN EMPLOYEE OF THE INSURER AND WHO IS NOT A
15 CONTRACTED TEMPORARY ADJUSTER;
16 (II) AT LEAST ONE MEANS OF COMMUNICATION DURING REGULAR
17 BUSINESS HOURS; AND
18 (III) A WRITTEN STATUS REPORT IF, WITHIN A SIX-MONTH PERIOD,
19 THE INSURED IS ASSIGNED A THIRD OR SUBSEQUENT ADJUSTER TO BE
20 PRIMARILY RESPONSIBLE FOR A CLAIM. THE WRITTEN STATUS REPORT
21 MUST INCLUDE A SUMMARY OF ANY DECISIONS OR ACTIONS THAT ARE
22 SUBSTANTIALLY RELATED TO THE DISPOSITION OF A CLAIM, INCLUDING
23 THE AMOUNT OF LOSSES TO STRUCTURES OR CONTENTS, THE RETENTION
24 OF CONSULTATION OF DESIGN OR CONSTRUCTION PROFESSIONALS, THE
25 AMOUNT OF COVERAGE FOR LOSSES TO STRUCTURES OR CONTENTS, AND
26 ALL ITEMS OF DISPUTE."
- 27 Page 4, strike line 27 and substitute "EXPERIENCES A TOTAL LOSS OF AN
28 OWNER-OCCUPIED RESIDENCE THAT WAS DOCUMENTED AS BEING".
- 29 Page 5, strike lines 3 and 4 and substitute "A RESULT OF A WILDFIRE
30 DISASTER THAT THE GOVERNOR DECLARES PURSUANT TO SECTION
31 24-33.5-704, THE INSURER SHALL:".
- 32 Page 5, line 6, strike "EIGHTY" and substitute "SIXTY-FIVE".
- 33 Page 5, line 8, strike "VALUE" and substitute "LIMIT".

- 1 Page 5, strike lines 12 and 13 and substitute:
- 2 "(I) ACCEPTANCE OF THE MONEY DESCRIBED IN SUBSECTION
3 (14)(a) OF THIS SECTION DOES NOT REDUCE OR IN ANY WAY CHANGE THE
4 BENEFITS AVAILABLE UNDER THE POLICY;"
- 5 Page 5, line 19, after "(c)" insert "(I)".
- 6 Page 5, line 22, strike "(I)" and substitute "(A)".
- 7 Page 5, strike lines 25 and 26 and substitute:
- 8 "(B) PROVIDE PAYMENT FOR ANY COVERED AND UNDISPUTED
9 ITEMS WITHIN THIRTY DAYS AFTER RECEIVING THE INVENTORY.
10 (II) THE COMMISSIONER SHALL ADOPT RULES TO SIMPLIFY THE
11 PROCESS FOR POLICYHOLDERS TO SUBMIT AN INVENTORY FOR PERSONAL
12 PROPERTY LOSSES AND EXPEDITE REIMBURSEMENT FOR SUCH LOSSES."
- 13 Page 6, line 1, strike "THIRTY" and substitute "SIXTY".
- 14 Page 6, line 3, after "DEBRIS;" insert "EXCEPT THAT, IN CASES WHERE
15 DEBRIS REMOVAL IS CONDUCTED BY, OR IN COORDINATION WITH,
16 GOVERNMENTAL ENTITIES, PAYMENT FOR COVERED COSTS FOR REMOVAL
17 OF DEBRIS WILL BE PROVIDED WITHIN A REASONABLE AMOUNT OF TIME;"
- 18 Page 6, line 10, strike "REIMBURSE" and substitute "PAY".
- 19 Page 6, line 11, strike "TEN" and substitute "TWENTY".
- 20 Page 6, line 12, strike "THE" and substitute "SUCH".
- 21 Page 6, line 13, strike "OBLIGES" and substitute "OBLIGATES".
- 22 Page 6, line 16, strike "REIMBURSE" and substitute "PAY".
- 23 Page 6, line 23, after "OF" insert "SUBSECTIONS (13) TO (15) OF".

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