

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 25-0267.01 Kristen Forrestal x4217

**HOUSE BILL 25-1182**

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**HOUSE SPONSORSHIP**

**Titone and Brown,**

**SENATE SPONSORSHIP**

**Cutter and Simpson,**

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**House Committees**  
Business Affairs & Labor

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING TOOLS TO ASSESS RISK FOR THE PURPOSE OF**  
102 **UNDERWRITING PROPERTY INSURANCE POLICIES.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

For the purposes of underwriting homeowners and other property insurance policies, the bill requires insurers who use a wildfire risk model, a catastrophe model, a combination of models, or a scoring method to adhere to specific requirements that concern the sharing of information with the commissioner of insurance and the public, the inclusion of specific activities in the models, and providing notices to

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
Amended 2nd Reading  
March 19, 2025

policyholders.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, **add** 10-4-124 as  
3 follows:

4           **10-4-124. Homeowner insurance - underwriting - wildfire risk**  
5 **models - requirements - definitions - rules.** (1) AS USED IN THIS  
6 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7           (a) "CATASTROPHE MODEL" MEANS A TOOL, INSTRUMENTALITY,  
8 MEANS, OR PRODUCT, INCLUDING A MAP-BASED TOOL, A COMPUTER-BASED  
9 TOOL, OR A SIMULATION THAT IS USED BY AN INSURER ■ TO ESTIMATE  
10 POTENTIAL LOSSES FROM CATASTROPHIC EVENTS.

11           (b) "COMMUNITY-LEVEL MITIGATION ACTION" MEANS A  
12 SCIENCE-BASED MITIGATION ACTION AS DEMONSTRATED BY A  
13 COMMUNITY-OR NEIGHBORHOOD-LEVEL DESIGNATION OR CERTIFICATION  
14 OR AS UNDERTAKEN BY A GOVERNMENT ENTITY.

15           (c) "PROPERTY-SPECIFIC MITIGATION ACTION" MEANS A  
16 SCIENCE-BASED MITIGATION ACTION AS DEMONSTRATED BY THE  
17 "WILDFIRE PREPARED HOME" DESIGNATION FROM THE INSURANCE  
18 INSTITUTE FOR BUSINESS AND HOME SAFETY OR BY A SIMILAR  
19 MITIGATION PROGRAM THAT INCLUDES A VERIFICATION AND  
20 CERTIFICATION PROCESS.

21           (d) "WILDFIRE RISK MODEL" MEANS A TOOL, INSTRUMENTALITY,  
22 MEANS, OR PRODUCT, INCLUDING A MAP-BASED TOOL, A COMPUTER-BASED  
23 TOOL, OR A SIMULATION, THAT IS USED BY AN INSURER ■ IN WHOLE OR IN  
24 PART, TO MEASURE OR ASSESS THE WILDFIRE RISK ASSOCIATED WITH A  
25 RESIDENTIAL ■ PROPERTY OR COMMUNITY FOR PURPOSES OF RATING,

1 CLASSIFYING, OR PRICING BASED ON WILDFIRE RISK OR ESTIMATING RISKS  
2 OR LOSSES CORRESPONDING TO THE WILDFIRE RISK CLASSIFICATIONS.

3 (2) (a) AN INSURER THAT USES A WILDFIRE RISK MODEL OR A  
4 CATASTROPHE MODEL OR SCORING METHOD TO ASSIGN RISK SHALL  
5 PROVIDE THE WILDFIRE RISK MODEL, CATASTROPHE MODEL, OR SCORING  
6 METHOD USED TO ASSIGN RISK, INCLUDING A DESCRIPTION OF THE MODEL,  
7 THE IMPACT OF THE MODEL ON RATES, AN ACTUARIAL JUSTIFICATION FOR  
8 ALL RATING FACTORS, INCLUDING MITIGATION DISCOUNTS OFFERED, AND  
9 AN EXPLANATION OF THE USE OF THE MODEL IN UNDERWRITING DECISIONS,  
10 TO THE COMMISSIONER AS PART OF THE INSURER'S COMPLETE FILING.

11 (b) TO THE EXTENT DATA IS AVAILABLE AND AS ESTABLISHED BY  
12 RULE, AN INSURER SHALL SUBMIT TO THE DIVISION, AS PART OF THEIR RATE  
13 FILINGS, INFORMATION ON HOW AND WHETHER THE MODELS USED FOR  
14 UNDERWRITING AND RATING ACCOUNT FOR STATE-WIDE MITIGATION  
15 ACTIVITIES, SUCH AS FOREST TREATMENT, INVESTMENTS IN WILDFIRE  
16 FIGHTING AND MITIGATION EQUIPMENT, AND UTILITY WILDFIRE  
17 MITIGATION ACTIVITIES UNDERTAKEN PURSUANT TO A WILDFIRE  
18 MITIGATION PLAN APPROVED BY THE PUBLIC UTILITIES COMMISSION.

19 (c) MODELS SUBMITTED TO THE COMMISSIONER PURSUANT TO THIS  
20 SECTION SHALL BE TREATED AS TRADE SECRETS AND NOT SUBJECT TO  
21 DISCLOSURE UNDER THE "COLORADO OPEN RECORDS ACT, PART 2 OF  
22 ARTICLE 72 OF TITLE 24.

23 (3) AN INSURER THAT USES A WILDFIRE RISK MODEL, A  
24 CATASTROPHE MODEL, OR A COMBINATION OF MODELS SHALL ENSURE THE  
25 FOLLOWING FACTORS ARE EITHER INCORPORATED IN THE WILDFIRE RISK  
26 MODEL, CATASTROPHE MODEL, OR COMBINATION OF MODELS OR ARE  
27 OTHERWISE DEMONSTRABLY INCLUDED IN THE INSURER'S UNDERWRITING

1 AND PRICING:

2 (a) PROPERTY-SPECIFIC MITIGATION ACTIONS SUCH AS  
3 ESTABLISHING DEFENSIBLE SPACE, INCORPORATING BUILDING HARDENING  
4 MEASURES, OR RECEIVING CERTIFICATION FROM AN ENTITY WITH  
5 EXPERTISE IN MITIGATION OF PROPERTIES AGAINST WILDFIRE; AND

6 (b) COMMUNITY-LEVEL MITIGATION ACTIVITIES OR DESIGNATIONS,  
7 INCLUDING FOREST TREATMENT AND OTHER FUEL REDUCTION ACTIVITIES.

8 (4) IF AN INSURER DOES NOT INCORPORATE PROPERTY-SPECIFIC  
9 AND COMMUNITY-LEVEL MITIGATION ACTIONS INTO ITS MODELS, THE  
10 INSURER SHALL PROVIDE DISCOUNTS TO POLICYHOLDERS WHO CAN  
11 DEMONSTRATE THAT PROPERTY-SPECIFIC MITIGATION ACTIONS HAVE BEEN  
12 UNDERTAKEN ON THE PROPERTY OR COMMUNITY-LEVEL MITIGATION  
13 ACTIONS HAVE BEEN UNDERTAKEN IN SUFFICIENT PROXIMITY TO THE  
14 PROPERTY TO REDUCE THE RISK OF LOSS.

15 (5) AN INSURER SHALL POST ON ITS PUBLIC WEBSITE READILY  
16 ACCESSIBLE INFORMATION ON THE PREMIUM DISCOUNTS, INCENTIVES, OR  
17 OTHER PREMIUM ADJUSTMENTS THAT ARE AVAILABLE TO POLICYHOLDERS  
18 WHO UNDERTAKE PROPERTY-SPECIFIC MITIGATION ACTIONS OR PROVIDE  
19 EVIDENCE OF COMMUNITY-LEVEL MITIGATION ACTIONS AND THE PROCESS  
20 FOR APPEALING A WILDFIRE RISK SCORE. THE WEBSITE SHALL IDENTIFY, AS  
21 APPLICABLE:

22 (a) PROPERTY-SPECIFIC MITIGATION ACTIONS FOR THE  
23 POLICYHOLDER TO UNDERTAKE AND COMMUNITY-LEVEL MITIGATION  
24 ACTIONS THAT COULD RESULT IN A DISCOUNT, INCENTIVE, OR OTHER  
25 PREMIUM ADJUSTMENT; AND

26 (b) THE AMOUNT OF THE DISCOUNT, INCENTIVE, OR OTHER  
27 PREMIUM ADJUSTMENT ASSOCIATED WITH EACH ACTION.

1           (6) (a) AN INSURER THAT PROVIDES A MITIGATION DISCOUNT OR  
2 THAT USES A WILDFIRE RISK MODEL OR RISK SCORE TO UNDERWRITE,  
3 NONRENEW, PRICE, CREATE A RATE DIFFERENTIAL, OR SURCHARGE THE  
4 PREMIUM BASED UPON THE POLICYHOLDER'S OR APPLICANT'S WILDFIRE  
5 RISK SHALL PROVIDE AN ANNUAL WRITTEN NOTICE TO EACH  
6 POLICYHOLDER OR APPLICANT UPON APPLICATION FOR PROPERTY  
7 INSURANCE OF THE APPLICABLE MITIGATION DISCOUNTS, THE WILDFIRE  
8 RISK SCORE, AND ANY OTHER WILDFIRE RISK CLASSIFICATION USED BY THE  
9 INSURER TO UNDERWRITE, NONRENEW, PRICE, CREATE A RATE  
10 DIFFERENTIAL, OR SURCHARGE THE PREMIUM BASED UPON THE  
11 POLICYHOLDER'S OR APPLICANT'S WILDFIRE RISK.

12           (b) THE NOTICE SHALL INCLUDE:

13           (I) A PLAIN-LANGUAGE EXPLANATION OF THE WILDFIRE RISK  
14 SCORE OR OTHER WILDFIRE RISK CLASSIFICATION, INCLUDING AN  
15 EXPLANATION THAT INSURERS MAY USE DIFFERENT MODELS AND HAVE  
16 DIFFERENT RISK SCORE RANGES THAT COULD RESULT IN DIFFERENT RISK  
17 SCORES FROM OTHER INSURERS;

18           (II) THE RANGE OF THE SCORES OR CLASSIFICATIONS THAT COULD  
19 POTENTIALLY BE ASSIGNED TO THE PROPERTY;

20           (III) THE RELATIVE POSITION OF THE SCORE OR CLASSIFICATION  
21 ASSIGNED TO THE PROPERTY WITHIN THAT RANGE OF POSSIBLE SCORES OR  
22 CLASSIFICATIONS PROVIDED BY THE INSURER'S RISK MODEL;

23           (IV) A WRITTEN EXPLANATION OF WHY THE POLICYHOLDER OR  
24 APPLICANT RECEIVED THE ASSIGNED SCORE OR CLASSIFICATION THAT  
25 IDENTIFIES THE PRIMARY FEATURES OF THE PROPERTY THAT INFLUENCED  
26 THE ASSIGNMENT OF THE SCORE OR CLASSIFICATION; AND

27           (V) THE IMPACT, IF ANY, THAT EACH PROPERTY-SPECIFIC

1 MITIGATION OR COMMUNITY-LEVEL MITIGATION ACTION COULD HAVE ON  
2 A WILDFIRE RISK SCORE OR CLASSIFICATION ASSIGNED TO THE PROPERTY.

3 (7) THE INSURER SHALL PROVIDE THE WILDFIRE RISK SCORE OR  
4 CLASSIFICATION TO THE POLICYHOLDER OR APPLICANT:

5 (a) FOR APPLICANTS, NO LATER THAN FIFTEEN DAYS AFTER THE  
6 SUBMISSION OF THE APPLICANT'S COMPLETED APPLICATION TO THE  
7 INSURER;

8 (b) FOR POLICYHOLDERS, IN THE OFFER OF RENEWAL;

9 (c) FOR POLICYHOLDERS THAT ARE NOT BEING OFFERED A  
10 RENEWAL, WITH THE NONRENEWAL NOTICE; AND

11 (d) FOR A POLICYHOLDER OR APPLICANT, IF THE POLICYHOLDER OR  
12 APPLICANT HAS COMPLETED A PROPERTY-SPECIFIC MITIGATION ACTION OR  
13 PROVIDES EVIDENCE OF A COMMUNITY-LEVEL MITIGATION ACTION IN  
14 SUFFICIENT PROXIMITY TO THE PROPERTY TO REDUCE THE RISK OF LOSS  
15 SINCE THE TIME OF THE LAST APPLICATION TO OR RENEWAL BY THE  
16 INSURER, NO LATER THAN THIRTY DAYS AFTER THE SUBMISSION TO THE  
17 INSURER OF THE POLICYHOLDER'S OR APPLICANT'S REQUEST THAT THE  
18 INSURER PROVIDE A REVISED WILDFIRE RISK SCORE OR WILDFIRE RISK  
19 CLASSIFICATION.

20 (8) A POLICYHOLDER OR APPLICANT FOR A POLICY OF PROPERTY  
21 INSURANCE WHOSE WILDFIRE RISK MODEL SCORE, WILDFIRE RISK  
22 CLASSIFICATION ASSIGNED TO THE PROPERTY, OR APPLICABLE MITIGATION  
23 DISCOUNT IS INACCURATE AND PROVIDES EVIDENCE OF THE  
24 PROPERTY-SPECIFIC OR COMMUNITY-LEVEL MITIGATION ACTION MAY  
25 APPEAL THE SCORE DIRECTLY TO THE INSURER. THE INSURER SHALL  
26 NOTIFY THE POLICYHOLDER OR APPLICANT IN WRITING OF THE RIGHT TO  
27 APPEAL THE WILDFIRE RISK SCORE OR OTHER WILDFIRE RISK

1 CLASSIFICATION OR APPLICABLE MITIGATION DISCOUNT WHEN THE SCORE  
2 OR CLASSIFICATION OR DISCOUNT IS PROVIDED TO THE POLICYHOLDER OR  
3 APPLICANT AS REQUIRED BY SUBSECTION (6) OF THIS SECTION. IF THE  
4 POLICYHOLDER OR APPLICANT APPEALS THE WILDFIRE RISK SCORE OR  
5 OTHER WILDFIRE RISK CLASSIFICATION OR APPLICABLE WILDFIRE  
6 DISCOUNT, THE INSURER SHALL ACKNOWLEDGE RECEIPT OF THE APPEAL IN  
7 WRITING WITHIN TEN CALENDAR DAYS AFTER RECEIPT OF THE APPEAL. THE  
8 INSURER SHALL RESPOND TO THE APPEAL IN WRITING WITH A  
9 RECONSIDERATION AND DECISION WITHIN THIRTY CALENDAR DAYS AFTER  
10 RECEIVING THE APPEAL. IF AN APPEAL IS DENIED, THE INSURER SHALL,  
11 UPON REQUEST BY THE COMMISSIONER, FORWARD A COPY OF THE APPEAL  
12 AND THE INSURER'S RESPONSE, TO THE COMMISSIONER.

13 (9) THIS SECTION APPLIES TO PROPERTY INSURANCE COVERAGE  
14 PROVIDED BY THE FAIR ACCESS TO INSURANCE REQUIREMENTS PLAN  
15 ASSOCIATION CREATED IN SECTION 10-4-1804.

16 (10) THIS SECTION APPLIES ONLY TO HOMEOWNER'S INSURANCE  
17 POLICIES AS DEFINED IN SECTION 10-4-110.6, PROPERTY INSURANCE  
18 POLICIES COVERING CONDOMINIUM UNITS AS DEFINED IN SECTION  
19 38-33-103 (1), AND MULTIFAMILY RESIDENTIAL HOUSING AS DEFINED IN  
20 SECTION 24-32-3701 (9).

21 (11) THE COMMISSIONER MAY ADOPT RULES TO IMPLEMENT THIS  
22 SECTION.

23 **SECTION 2. Act subject to petition - effective date -**  
24 **applicability.** (1) This act takes effect July 1, 2026; except that, if a  
25 referendum petition is filed pursuant to section 1 (3) of article V of the  
26 state constitution against this act or an item, section, or part of this act  
27 within the ninety-day period after final adjournment of the general

1 assembly, then the act, item, section, or part will not take effect unless  
2 approved by the people at the general election to be held in November  
3 2026 and, in such case, will take effect on the date of the official  
4 declaration of the vote thereon by the governor.

5 (2) This act applies to property insurance policies issued or  
6 renewed on or after the applicable effective date of this act.