

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

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.*

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

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

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

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

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

1 RESIDENTIAL OR COMMERCIAL PROPERTY OR COMMUNITY FOR PURPOSES  
2 OF RATING, CLASSIFYING, OR PRICING BASED ON WILDFIRE RISK OR  
3 ESTIMATING RISKS OR LOSSES CORRESPONDING TO THE WILDFIRE RISK  
4 CLASSIFICATIONS.

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

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

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

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

1 OTHERWISE DEMONSTRABLY INCLUDED IN THE INSURER'S UNDERWRITING  
2 AND PRICING:

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

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

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

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

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

27 (b) THE AMOUNT OF THE DISCOUNT, INCENTIVE, OR OTHER

1 PREMIUM ADJUSTMENT ASSOCIATED WITH EACH ACTION.

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

13 (b) THE NOTICE SHALL INCLUDE:

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

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

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

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

1 (V) THE IMPACT, IF ANY, THAT EACH PROPERTY-SPECIFIC  
2 MITIGATION OR COMMUNITY-LEVEL MITIGATION ACTION COULD HAVE ON  
3 A WILDFIRE RISK SCORE OR CLASSIFICATION ASSIGNED TO THE PROPERTY.

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

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

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

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

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

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

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

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

17 (10) THE COMMISSIONER MAY ADOPT RULES TO IMPLEMENT THIS  
18 SECTION.

19 **SECTION 2. Act subject to petition - effective date -**  
20 **applicability.** (1) This act takes effect July 1, 2026; except that, if a  
21 referendum petition is filed pursuant to section 1 (3) of article V of the  
22 state constitution against this act or an item, section, or part of this act  
23 within the ninety-day period after final adjournment of the general  
24 assembly, then the act, item, section, or part will not take effect unless  
25 approved by the people at the general election to be held in November  
26 2026 and, in such case, will take effect on the date of the official  
27 declaration of the vote thereon by the governor.

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