

House Business Affairs & Labor

02/10/2022 01:30 PM

HB22-1111 Insurance Coverage For Loss Declared Fire Disaster

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
marilyn Hughes For Self	Dear Committee Members, My name is Marilyn Hughes ,I live in Longmont and am representing myself. I am encouraging a yes vote on HB22-1111. I have a number of friends who have lost their homes in the Marshall fire. Adding to the grief of losing ones home there are a number of problems turning up with insurance claims and coverage.Not only is coverage help moving slowly on the side of the insurance companies but residents are also finding that their insurance is inadequate and compensation is being held up. It seems obvious that new requirements are necessary.Please vote Yes on the bill.

February 10, 2022

House Business Affairs & Labor Committee
Colorado State Capitol

Re: HB 22-1111

Committee Members:

The National Association of Mutual Insurance Companies (NAMIC) appreciates the opportunity to share its position on HB 22-1111.

NAMIC is the largest property and casualty insurance trade association in the country, with about 1,500 member companies. NAMIC supports regional and local mutual insurance companies as well as some of the country's largest national insurers. Nationally, NAMIC members companies write \$273 billion in annual premiums across all insurance lines, and our members account for 67 percent of the homeowners insurance market.

NAMIC has worked with a broader coalition of trade groups and insurers to evaluate the provisions in HB 22-1111 as filed. The goal of this effort is to suggest modifications to the bill that would respect the bill sponsors' desire to assist those affected by catastrophic wildfires while also ensuring a marketplace for property insurance that includes a variety of affordable products. We appreciate the bill sponsors' willingness to continue to work on these issues. While we oppose the bill in its filed form, we are committed to a continued dialogue on the bill's provisions.

Thank you for your time and consideration, and please contact me if I can provide additional information.

Sincerely,



Jon Schnautz
Regional Vice President
Southwest Region

Dear Committee Members,

My name is Craig Swift and I used to live at 943 Sunflower Street in Louisville with my wife Cynthia, my son Finn (9) and my daughter Alicia (6). We lost our home in the recent Marshall Fire along with almost all of our neighbors. Out of almost 150 houses in our sub-division of Centennial 8 only three houses were left standing. I'm writing to you this evening to urge you to vote yes on bill HB22-1111. I'd like to share with you my personal story in the hopes that it makes a difference in your decision process and that it could help lessen the burden and hardship for future fire victims.

We purchased our home in 2012 and had made a variety of home improvements totalling around \$170,000 which included all new windows, hardie board siding, kitchen/bath remodels, and new composite decks for the front and back. On December 28th I called my insurance provider (State Farm) because I was concerned about being under insured given all of our improvements and rising inflation costs. Our current dwelling coverage was for \$465,000 while our house on zillow was closer to \$900,000. After a twenty minute conversation about our house finishings and square footage I was told that I was over insured by almost \$40,000 and was asked if I would like to lower it. I declined and kept the current coverage.

A few days later the unthinkable happened and our family lost everything. Since then I've come to realize just how woefully under insured we were compared to the actual costs of rebuilding a house. I've contacted a variety of home builders and the cost per square foot has been ranging anywhere from \$300 to \$425. Since our neighborhood was built in 1990 the blue prints aren't available from the city or original builder. As such we also have to enlist the help of an architect which adds another 6-10%. That means that our 2300 square foot house now costs \$731,400 to \$1,075,250 to rebuild. We're looking at taking out \$150,000 to \$400,000 more in loans to afford to rebuild our house in the neighborhood that we loved.

In addition to being under insured on the dwelling, State Farm is making the personal property portion of our claim agonizing. State Farm has only paid the minimum amount of 30% required by Colorado law. Anything beyond requires full itemization to get the depreciated value and then only on replacement do you get the full amount. That's basically three years of itemization and receipt submissions when we need to be focused on our young children, jobs, and the rebuilding process. Most other insurance firms have been generous and provided 70-100% payouts without itemization. I was able to get some actual numbers from our neighbors and those policies were in alignment with mine from an actual dollar value.

Insurance is supposed to help us rebuild when the worst possible things happen in our life. It shouldn't be a vehicle for systemic under insurance and certainly shouldn't compound the trauma and loss by creating a time consuming and error prone process around itemization. My father had recently passed away last April due to complications from a stroke. According to State Farm his urn is worth \$100, depreciated to around \$40, with the remaining \$60 available once I replace it. That at its core is how this process dehumanizes us, trivializes our loss and suffering, and makes absolutely no sense. I urge you to vote yes on bill HB22-1111 to streamline

this process and to support the current and future fire victims. Thank you for your time and consideration.

Craig Swift
943 Sunflower St, Louisville, CO 80027