

CHAPTER 6

INSURANCE

SENATE BILL 02S-007

BY SENATOR(S) Isgar, Entz, Fitz-Gerald, Hanna, Hernandez, Pascoe, Phillips, Takis, Tate, Teck, Thiebaut, Tupa, and Windels; also REPRESENTATIVE(S) Larson, Borodkin, Coleman, Lawrence, Mace, Madden, Marshall, Plant, Tapia, Vigil, Weddig, and Williams S.

AN ACT**CONCERNING THE AVAILABILITY OF INSURANCE FOR PROPERTIES THAT ARE WITHIN FEDERALLY DESIGNATED DISASTER AREAS.**

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

SECTION 1. Part 1 of article 4 of title 10, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

10-4-110.9. Fire insurance - issuance and renewal of policies within federally designated disaster areas. (1) NO INSURER SHALL REFUSE TO ISSUE A FIRE INSURANCE POLICY FOR ANY PROPERTY LOCATED WITHIN A FEDERALLY DESIGNATED DISASTER AREA, SO DESIGNATED BECAUSE OF WILDFIRE, WHERE SUCH REFUSAL IS BASED ON SUCH PROPERTY'S ZIP CODE, COUNTY LOCATION, OR DISTANCE FROM ANY WILDFIRE. THIS SECTION SHALL NOT APPLY TO PROPERTY THAT IS LOCATED WITHIN AN IMMEDIATELY THREATENED AREA AS DESIGNATED BY THE APPROPRIATE STATE, LOCAL, OR FEDERAL OFFICIAL.

(2) AN INSURER SHALL NOT REFUSE TO RENEW AN EXISTING FIRE INSURANCE POLICY FOR PROPERTY THAT IS WITHIN AN AREA THAT HAS BEEN DECLARED A FEDERALLY DESIGNATED DISASTER AREA FOR ANY REASON THAT IS RELATED TO WILDFIRE. AS A CONDITION OF SUCH RENEWAL, AN INSURER MAY REQUIRE A PROPERTY OWNER TO TAKE REASONABLE ACTIONS TO REDUCE THE RISK OF FIRE TO SUCH PROPERTY.

(3) IF A PROPERTY OWNER REFINANCES A MORTGAGE ON AN INSURED PROPERTY THAT FALLS WITHIN AN AREA THAT HAS BEEN DECLARED A FEDERALLY DESIGNATED DISASTER AREA BECAUSE OF WILDFIRE, THE INSURER OF SUCH PROPERTY SHALL CONTINUE TO PROVIDE COVERAGE FOR THE REMAINING TERM OF THE EXISTING FIRE

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

INSURANCE POLICY, ADJUSTED AS REQUIRED BY THE MORTGAGE LENDER FOR ANY INCREASE OR DECREASE IN THE VALUE OF SUCH PROPERTY. SUCH REQUIRED ADJUSTMENT SHALL NOT CONFLICT WITH THE REQUIREMENTS OF SECTION 10-4-114.

(4) THE COMMISSIONER OF INSURANCE MAY ADOPT RULES AS NECESSARY FOR IMPLEMENTATION OF THIS SECTION.

SECTION 2. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: July 18, 2002