

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 7, 2025
Date

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB25-1302 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 4, line 3, after "FOR" insert "HOMEOWNERS
- 2 AND".
- 3 Page 4, line 10, strike "INSURERS" and substitute "HOMEOWNERS".
- 4 Page 4, line 15, after "TO" insert "HOMEOWNERS AND".
- 5 Page 7, line 1, strike "INSURERS" and substitute "HOMEOWNER'S
- 6 INSURANCE POLICYHOLDERS".
- 7 Page 7, line 3, strike "INSURERS" and substitute "POLICYHOLDERS".
- 8 Page 7, line 13, after "REDUCING" insert "POLICYHOLDER AND".
- 9 Page 7, line 25, strike "THREE" and substitute "FIVE".
- 10 Page 8, line 1, strike "TWO" and substitute "FOUR".
- 11 Page 8, line 3, strike "ONE MEMBER WHO IS AN INSURER WITH EXPERTISE
- 12 IN" and substitute "TWO MEMBERS WHO REPRESENT INSURANCE
- 13 COMPANIES THAT OFFER".
- 14 Page 8, line 4, strike "AND".
- 15 Page 8, line 6, strike "ACTIVITIES." and substitute "ACTIVITIES; AND
- 16 (C) ONE MEMBER WHO REPRESENTS CONSUMERS.".
- 17 Page 8, line 8, strike "ONE MEMBER" and substitute "TWO MEMBERS".

1 Page 8, line 25, strike "ENTERPRISE".

2 Page 9, after line 4 insert:

3 "(IV) INVEST THE REVENUE FROM THE ISSUANCE AND SALE OF
4 REVENUE BONDS AND THE IMPOSITION AND COLLECTION OF THE FEE. IN
5 INVESTING THE REVENUE, THE ENTERPRISE MAY:

6 (A) INVEST THE REVENUE WITHOUT REGARD TO THE LIMITATIONS
7 SET FORTH IN SECTION 24-36-103, 24-75-601.1, OR 24-75-603; AND

8 (B) ENTER INTO CONTRACTS WITH PRIVATE PROFESSIONAL FUND
9 MANAGERS TO PROVIDE EXPERTISE, TECHNICAL SUPPORT, AND ADVICE ON
10 INVESTMENT MARKET CONDITIONS. IN SEEKING BIDS FOR SUCH
11 CONTRACTS, THE ENTERPRISE SHALL EMPLOY STANDARD PUBLIC BIDDING
12 PRACTICES, INCLUDING THE USE OF REQUESTS FOR INFORMATION,
13 REQUESTS FOR PROPOSALS, OR ANY OTHER STANDARD VENDOR SELECTION
14 PRACTICES DETERMINED BY THE ENTERPRISE TO BE BEST SUITED TO
15 SELECTING AN APPROPRIATE PRIVATE PROFESSIONAL FUND MANAGER."

16 Renumber succeeding subparagraphs accordingly.

17 Page 9, strike lines 9 through 19 and substitute:

18 "(VII) ENGAGE THE SERVICES OF PUBLIC OR PRIVATE ENTITIES,
19 CONTRACTORS, OR CONSULTANTS FOR PROFESSIONAL AND TECHNICAL
20 ASSISTANCE AND TO PROVIDE ADVICE AND OTHER SERVICES RELATED TO
21 CONDUCTING THE AFFAIRS OF THE ENTERPRISE, WITHOUT REGARD TO THE
22 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24. IN
23 CONDUCTING ITS AFFAIRS, THE ENTERPRISE SHALL:

24 (A) ENGAGE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL
25 SERVICES; AND

26 (B) ENTER INTO A CONTRACT OR CONTRACTS WITH THE DIVISION
27 AT FAIR MARKET RATES FOR OFFICE SPACE AND ADMINISTRATIVE STAFF
28 FOR THE ENTERPRISE; AND".

29 Page 10, strike lines 6 through 13 and substitute "EACH CALENDAR YEAR
30 THEREAFTER ON OR BEFORE THE SAME DATE, THE ENTERPRISE SHALL
31 IMPOSE A FEE PURSUANT TO SUBSECTION (4)(c) OF THIS SECTION ON EACH
32 POLICYHOLDER OF A HOMEOWNER'S INSURANCE POLICY ISSUED IN THE
33 ADMITTED MARKET COVERING PROPERTY LOCATED IN OR RISKS IN THE
34 STATE ON A PER-POLICY BASIS AND ON EACH POLICYHOLDER OF THE FAIR
35 PLAN ASSOCIATION ON A PER-POLICY BASIS; EXCEPT THAT THE ENTERPRISE
36 SHALL NOT IMPOSE A FEE ON POLICYHOLDERS THAT HAVE A RESILIENT
37 ROOF SYSTEM THAT MEETS THE INSURANCE INSTITUTE FOR BUSINESS AND

- 1 HOME SAFETY STANDARDS OR SIMILAR STANDARDS, AS DETERMINED BY
2 THE BOARD BY RULE."
- 3 Page 10, line 17, strike "ONE AND".
- 4 Page 10, line 19, after "INSURER" insert "IN THE ADMITTED MARKET".
- 5 Page 11, after line 1 insert:
6 "(III) THE FAIR PLAN ASSOCIATION AND EACH INSURER SHALL
7 COLLECT THE FEE FROM THEIR RESPECTIVE POLICYHOLDERS, PAY THE FEE
8 TO THE ENTERPRISE, AND LIST THE FEE AS AN ITEMIZED CHARGE ON THEIR
9 RESPECTIVE INSURANCE POLICY BILLING STATEMENTS.
10 (IV) THE FEE IS NOT A PREMIUM FOR ANY PURPOSE, INCLUDING THE
11 COMPUTATION OF THE GROSS PREMIUM TAX PURSUANT TO SECTION
12 10-3-209 OR AN INSURANCE PRODUCER'S COMMISSION."
- 13 Page 11, after line 8 insert:
14 "(e) THE ENTERPRISE SHALL ADOPT ANY RULES NECESSARY FOR
15 THE IMPOSITION AND COLLECTION OF THE FEE."
- 16 Page 11, line 17, strike "PAY" and substitute "COLLECT AND FORWARD".
- 17 Page 11, line 18, strike "(4)(d)" and substitute "(4)".
- 18 Page 12, line 13, strike "FROM" and substitute "BY".
- 19 Page 13, strike lines 11 and 12 and substitute "COLORADO THAT IS
20 COVERED BY A HOMEOWNER'S INSURANCE POLICY OR A POLICY ISSUED BY
21 THE FAIR PLAN ASSOCIATION;"
- 22 Page 13, line 20, strike "WITH".
- 23 Page 13, strike lines 21 through 24 and substitute "WHO IS A MEMBER OF
24 THE COLORADO ROOFING ASSOCIATION OR AN EQUIVALENT QUALIFYING
25 BODY THAT MAINTAINS STANDARDS FOR LICENSING, INSURANCE, AND
26 PROFESSIONAL CONDUCT."
- 27 Page 14, line 8, after "(6)" insert "(a)".
- 28 Page 14, after line 19 insert:
29 "(b) IN ADOPTING RESILIENT ROOF SYSTEM STANDARDS, THE
30 BOARD MAY PRIORITIZE THE USE OF MATERIALS PROVEN TO OFFER

- 1 SUPERIOR PROTECTIONS AGAINST EXTREME WEATHER EVENTS AND MAY
2 INCENTIVIZE REDUCED ENVIRONMENTAL IMPACTS.
- 3 (c) THE BOARD MAY ALSO ADOPT RULES TO ENCOURAGE
4 CONTRACTORS TO COMPLETE SPECIALIZED TRAINING IN THE INSTALLATION
5 OF IMPACT-RESISTANT AND FIRE-RESISTANT ROOFING SYSTEMS."
- 6 Page 14, after line 24 insert:
- 7 **"10-4-2005. Severability.** IF ANY PROVISION OF THIS PART 20 OR
8 THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS HELD
9 INVALID, SUCH INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR
10 APPLICATIONS OF THIS PART 20 THAT CAN BE GIVEN EFFECT WITHOUT THE
11 INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF
12 THIS PART 20 ARE DECLARED TO BE SEVERABLE."
- 13 Page 14, line 25, strike "**10-4-2005.**" and substitute "**10-4-2006.**".
- 14 Page 16, line 9, strike "AND CATASTROPHE".
- 15 Page 16, strike line 10 and substitute "AND IMPOSING A FEE ON
16 HOMEOWNER'S INSURANCE POLICYHOLDERS; AND".
- 17 Page 17, strike lines 23 through 25.
- 18 Renumber succeeding subsections accordingly.
- 19 Page 17, line 26, after the second "INSURER" add "IN THE ADMITTED
20 MARKET".
- 21 Page 18, lines 24 and 25, strike "**utility purchasers of bonds -**".
- 22 Page 19, line 11, strike "COLLECTING, UNDER CERTAIN CIRCUMSTANCES,"
23 and substitute "COLLECTING".
- 24 Page 19, lines 13 and 14, strike "STATE; SELLING CATASTROPHE BONDS
25 AND REVENUE BONDS;" and substitute "STATE, SELLING REVENUE BONDS,".
- 26 Page 20, line 9, strike "THREE" and substitute "FIVE".
- 27 Page 20, line 12, strike "TWO" and substitute "FOUR".
- 28 Page 20, line 14, strike "IS AN INSURER WITH" and substitute "REPRESENTS
29 AN INSURANCE COMPANY AND HAS".

- 1 Page 20, line 15, strike "AND".
- 2 Page 20, after line 15 insert:
3 "(B) ONE MEMBER WHO REPRESENTS AN INSURANCE COMPANY
4 AND HAS EXPERTISE IN FINANCING AND INVESTMENTS;"
- 5 Reletter succeeding sub-subparagraph accordingly.
- 6 Page 20, lines 16 and 17, strike "CONSUMER WITH FINANCIAL EXPERTISE."
7 and substitute "CONSUMER; AND
8 (D) ONE MEMBER WHO HAS EXPERTISE IN REINSURANCE."
- 9 Page 20, line 19, strike "ONE MEMBER" and substitute "TWO MEMBERS".
- 10 Page 21, strike lines 24 and 25.
- 11 Renumber succeeding subparagraphs accordingly.
- 12 Page 22, lines 1 and 2, strike "FEE, AS APPLICABLE, ON HOMEOWNER'S
13 INSURANCE INSURERS" and substitute "FEE".
- 14 Page 22, line 5, strike "FEE;" and substitute "FEE. IN INVESTING THE
15 REVENUE, THE ENTERPRISE MAY:
16 (A) INVEST THE REVENUE WITHOUT REGARD TO THE LIMITATIONS
17 SET FORTH IN SECTION 24-36-103, 24-75-601.1, OR 24-75-603; AND
18 (B) ENTER INTO CONTRACTS WITH PRIVATE PROFESSIONAL FUND
19 MANAGERS TO PROVIDE EXPERTISE, TECHNICAL SUPPORT, AND ADVICE ON
20 INVESTMENT MARKET CONDITIONS. IN SEEKING BIDS FOR SUCH
21 CONTRACTS, THE ENTERPRISE SHALL EMPLOY STANDARD PUBLIC BIDDING
22 PRACTICES, INCLUDING THE USE OF REQUESTS FOR INFORMATION,
23 REQUESTS FOR PROPOSALS, OR ANY OTHER STANDARD VENDOR SELECTION
24 PRACTICES DETERMINED BY THE ENTERPRISE TO BE BEST SUITED TO
25 SELECTING AN APPROPRIATE PRIVATE PROFESSIONAL FUND MANAGER."
- 26 Page 22, strike lines 13 through 23 and substitute:
27 "(VIII) ENGAGE THE SERVICES OF PUBLIC OR PRIVATE ENTITIES,
28 CONTRACTORS, OR CONSULTANTS FOR PROFESSIONAL AND TECHNICAL
29 ASSISTANCE AND TO PROVIDE ADVICE AND OTHER SERVICES RELATED TO
30 CONDUCTING THE AFFAIRS OF THE ENTERPRISE, WITHOUT REGARD TO THE
31 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24. IN
32 CONDUCTING ITS AFFAIRS, THE ENTERPRISE SHALL:
33 (A) ENGAGE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL

1 SERVICES; AND
2 (B) ENTER INTO A CONTRACT OR CONTRACTS WITH THE DIVISION
3 AT FAIR MARKET RATES FOR OFFICE SPACE AND ADMINISTRATIVE STAFF
4 FOR THE ENTERPRISE; AND".

5 Page 22, line 25, strike "(9)" and substitute "(8)".

6 Page 23, strike lines 8 through 20 and substitute:

7 "(4) **Fee - rules.** (a) BEGINNING IN THE 2026 CALENDAR YEAR ON
8 OR BEFORE A DATE DETERMINED BY THE ENTERPRISE, AND ANNUALLY
9 EACH CALENDAR YEAR THEREAFTER ON OR BEFORE THE SAME DATE, THE
10 ENTERPRISE SHALL IMPOSE A FEE PURSUANT TO SUBSECTION (4)(b) OF THIS
11 SECTION ON A PER-POLICY BASIS ON EACH POLICYHOLDER OF A
12 HOMEOWNER'S INSURANCE POLICY ISSUED IN THE ADMITTED MARKET
13 COVERING PROPERTY LOCATED IN OR RISKS IN THE STATE; EXCEPT THAT
14 THE ENTERPRISE SHALL NOT IMPOSE A FEE ON POLICYHOLDERS THAT HAVE
15 MITIGATED THE COVERED PROPERTY TO MEET THE INSURANCE INSTITUTE
16 FOR BUSINESS AND HOME SAFETY WILDFIRE MITIGATION STANDARDS OR
17 SIMILAR STANDARDS, AS DETERMINED BY THE BOARD BY RULE.

18 (b) THE AMOUNT OF THE FEE IS AN AMOUNT EQUAL TO ONE-HALF
19 PERCENT ON THE PERCENTAGE OF TOTAL PREMIUMS COLLECTED BY EACH
20 INSURER IN THE ADMITTED MARKET IN THE IMMEDIATELY PRECEDING
21 CALENDAR YEAR ON HOMEOWNER'S INSURANCE POLICIES ISSUED IN THE
22 STATE.

23 (c) EACH INSURER SHALL COLLECT THE FEE FROM ITS
24 POLICYHOLDERS, PAY THE FEE TO THE ENTERPRISE, AND LIST THE FEE AS
25 AN ITEMIZED CHARGE ON ITS INSURANCE POLICY BILLING STATEMENTS.

26 (d) THE FEE IS NOT A PREMIUM FOR ANY PURPOSE, INCLUDING THE
27 COMPUTATION OF THE GROSS PREMIUM TAX PURSUANT TO SECTION
28 10-3-209 OR AN INSURANCE PRODUCER'S COMMISSION.

29 (e) THE ENTERPRISE SHALL ADOPT ANY RULES NECESSARY FOR THE
30 IMPOSITION AND COLLECTION OF THE FEE."

31 Page 23, line 25, strike "CATASTROPHE BONDS AND".

32 Page 24, line 4, strike "INSURERS" and substitute "POLICYHOLDERS".

33 Page 24, line 5, strike "CATASTROPHE BONDS AND".

34 Page 24, line 26, strike "ADJUST" and substitute "LOWER".

35 Page 25, strike lines 4 through 11.

1 Renumber succeeding subsections accordingly.

2 Page 29, after line 8 insert:

3 **"10-4-2105. Severability.** IF ANY PROVISION OF THIS PART 21 OR
4 THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS HELD
5 INVALID, SUCH INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR
6 APPLICATIONS OF THIS PART 21 THAT CAN BE GIVEN EFFECT WITHOUT THE
7 INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF
8 THIS PART 21 ARE DECLARED TO BE SEVERABLE."

9 Page 29, line 9, strike "**10-4-2105.**" and substitute "**10-4-2106.**".

10 Page 29, strike lines 25 through 27.

11 Page 30, strike lines 1 through 16.

12 Renumber succeeding sections accordingly.

13 Page 31, after line 2 insert:

14 **"SECTION 4.** In Colorado Revised Statutes, 10-4-110.8, **amend**
15 **(6)(b)** as follows:

16 **10-4-110.8. Homeowner's insurance - prohibited and required**
17 **practices - estimates of replacement value - additional living expense**
18 **coverage - copies of policies - personal property contents coverage -**
19 **inventory of personal property - requirements concerning total loss**
20 **scenarios resulting from wildfire disasters - definitions - rules.**

21 (6) (b) (I) All homeowner's insurance replacement-cost policies for a
22 dwelling must include additional living expense coverage. This coverage
23 must be available for a period of at least twelve months and is subject to
24 other policy provisions. Insurers shall offer policyholders the opportunity
25 to purchase a total of twenty-four months of ALE coverage and give an
26 applicant an explanation of the purpose, terms, and cost of this coverage.
27 This ~~paragraph (b)~~ SUBSECTION (6)(b) does not apply to any A
28 homeowner's insurance policy that already includes at least twenty-four
29 months of ALE coverage as a standard provision.

30 (II) IN ADDITION TO OFFERING A REPLACEMENT-COST POLICY IN
31 ACCORDANCE WITH SUBSECTION (6)(b)(I) OF THIS SECTION, AN INSURER
32 MAY OFFER A REPLACEMENT-COST POLICY THAT HAS A REASONABLE
33 COVERAGE LIMIT OR PERCENTAGE CAP FOR ADDITIONAL LIVING EXPENSES
34 IF THE INSURER PROVIDES A PREMIUM DECREASE FOR THE COVERAGE LIMIT
35 OR PERCENTAGE CAP THAT IS APPROVED BY THE DIVISION."

1 Strike "FROMINSURERS" on: **Page 6**, line 2; **Page 8**, line 25; and **Page 11**,
2 line 12.

3 Strike "CATASTROPHE AND" on: **Page 22**, lines 4 and 5; **Page 24**, line 8;
4 and **Page 25**, lines 15 and 26.

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