

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

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's insurance - underwriting - wildfire**  
5 **risk 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 OR A REINSURER TO  
10 ESTIMATE POTENTIAL LOSSES FROM CATASTROPHIC EVENTS.

11           (b) "WILDFIRE RISK MODEL" MEANS A TOOL, INSTRUMENTALITY,  
12 MEANS, OR PRODUCT, INCLUDING A MAP-BASED TOOL, A COMPUTER-BASED  
13 TOOL, OR A SIMULATION, THAT IS USED BY AN INSURER OR A REINSURER,  
14 IN WHOLE OR IN PART, TO MEASURE OR ASSESS THE WILDFIRE RISK  
15 ASSOCIATED WITH A RESIDENTIAL OR COMMERCIAL PROPERTY OR  
16 COMMUNITY FOR PURPOSES OF RATING, CLASSIFYING, OR PRICING BASED  
17 ON WILDFIRE RISK OR ESTIMATING RISKS OR LOSSES CORRESPONDING TO  
18 THE WILDFIRE RISK CLASSIFICATIONS.

19           (2) AN INSURER OR REINSURER THAT USES A WILDFIRE RISK MODEL  
20 OR A CATASTROPHE MODEL OR SCORING METHOD TO ASSIGN RISK SHALL  
21 PROVIDE THE WILDFIRE RISK MODEL, CATASTROPHE MODEL, OR SCORING  
22 METHOD USED TO ASSIGN RISK, INCLUDING A DESCRIPTION OF THE MODEL,  
23 THE IMPACT OF THE MODEL ON RATES, AND AN EXPLANATION OF THE USE  
24 OF THE MODEL IN UNDERWRITING DECISIONS, TO THE COMMISSIONER AS  
25 PART OF THE INSURER'S COMPLETE FILING.

1           (3) AN INSURER OR REINSURER THAT USES A WILDFIRE RISK  
2 MODEL, A CATASTROPHE MODEL, OR A COMBINATION OF MODELS SHALL  
3 ENSURE THAT A WILDFIRE RISK MODEL, CATASTROPHE MODEL, OR THE  
4 COMBINATION OF MODELS INCORPORATES:

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

9           (b) COMMUNITY-LEVEL MITIGATION ACTIVITIES OR DESIGNATIONS;  
10 AND

11           (c) STATE-LEVEL ACTIVITIES TO ADDRESS WILDFIRE RISK,  
12 INCLUDING THE PURCHASE OF EQUIPMENT TO COMBAT WILDFIRES.

13           (4) AN INSURER SHALL POST ON ITS PUBLIC WEBSITE READILY  
14 ACCESSIBLE INFORMATION ON THE PREMIUM DISCOUNTS, INCENTIVES, OR  
15 OTHER PREMIUM ADJUSTMENTS THAT ARE AVAILABLE TO POLICYHOLDERS  
16 WHO UNDERTAKE SPECIFIED MITIGATION EFFORTS AND THE PROCESS FOR  
17 APPEALING A WILDFIRE RISK SCORE. THE WEBSITE SHALL IDENTIFY, AS  
18 APPLICABLE:

19           (a) WILDFIRE RISK MITIGATION ACTIONS FOR THE POLICYHOLDER  
20 TO UNDERTAKE THAT WOULD RESULT IN A DISCOUNT, INCENTIVE, OR  
21 OTHER PREMIUM ADJUSTMENT; AND

22           (b) THE AMOUNT OF THE DISCOUNT, INCENTIVE, OR OTHER  
23 PREMIUM ADJUSTMENT ASSOCIATED WITH EACH WILDFIRE RISK  
24 MITIGATION ACTION.

25           (5) (a) AN INSURER THAT USES A WILDFIRE RISK MODEL OR RISK  
26 SCORE TO UNDERWRITE, NONRENEW, PRICE, CREATE A RATE DIFFERENTIAL,  
27 OR SURCHARGE THE PREMIUM BASED UPON THE POLICYHOLDER'S OR

1 APPLICANT'S WILDFIRE RISK SHALL PROVIDE AN ANNUAL WRITTEN NOTICE  
2 TO EACH POLICYHOLDER OR APPLICANT UPON APPLICATION FOR PROPERTY  
3 INSURANCE OF THE WILDFIRE RISK SCORE AND ANY OTHER WILDFIRE RISK  
4 CLASSIFICATION USED BY THE INSURER TO UNDERWRITE, NONRENEW,  
5 PRICE, CREATE A RATE DIFFERENTIAL, OR SURCHARGE THE PREMIUM BASED  
6 UPON THE POLICYHOLDER'S OR APPLICANT'S WILDFIRE RISK.

7 (b) THE NOTICE SHALL INCLUDE:

8 (I) A PLAIN-LANGUAGE EXPLANATION OF THE WILDFIRE RISK  
9 SCORE OR OTHER WILDFIRE RISK CLASSIFICATION;

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

12 (III) THE RELATIVE POSITION OF THE SCORE OR CLASSIFICATION  
13 ASSIGNED TO THE PROPERTY WITHIN THAT RANGE OF POSSIBLE SCORES OR  
14 CLASSIFICATIONS;

15 (IV) THE IMPACT OF THE SCORE OR CLASSIFICATION ON THE RATE  
16 OR PREMIUM;

17 (V) A WRITTEN EXPLANATION OF WHY THE POLICYHOLDER OR  
18 APPLICANT RECEIVED THE ASSIGNED SCORE OR CLASSIFICATION THAT  
19 IDENTIFIES THE SPECIFIC FEATURES OF THE PROPERTY THAT INFLUENCED  
20 THE ASSIGNMENT OF THE SCORE OR CLASSIFICATION; AND

21 (VI) THE IMPACT, IF ANY, THAT EACH WILDFIRE RISK MITIGATION  
22 ACTION COULD HAVE ON A WILDFIRE RISK SCORE OR CLASSIFICATION  
23 ASSIGNED TO THE PROPERTY.

24 (6) THE INSURER SHALL PROVIDE THE WILDFIRE RISK SCORE OR  
25 CLASSIFICATION TO THE POLICYHOLDER OR APPLICANT:

26 (a) FOR APPLICANTS, NO LATER THAN FIFTEEN DAYS AFTER THE  
27 SUBMISSION OF THE APPLICANT'S COMPLETED APPLICATION TO THE

1 INSURER;

2 (b) FOR POLICYHOLDERS, AT LEAST SIXTY DAYS BEFORE A  
3 RENEWAL OF A POLICY;

4 (c) FOR POLICYHOLDERS, AT LEAST NINETY DAYS BEFORE A  
5 NONRENEWAL OF A POLICY; AND

6 (d) FOR A POLICYHOLDER OR APPLICANT, IF THE POLICYHOLDER OR  
7 APPLICANT HAS COMPLETED A MITIGATION MEASURE ON THE PROPERTY  
8 SINCE THE TIME OF THE LAST APPLICATION TO OR RENEWAL BY THE  
9 INSURER, NO LATER THAN THIRTY DAYS AFTER THE SUBMISSION TO THE  
10 INSURER OF THE POLICYHOLDER'S OR APPLICANT'S REQUEST THAT THE  
11 INSURER PROVIDE A REVISED WILDFIRE RISK SCORE OR WILDFIRE RISK  
12 CLASSIFICATION.

13 (7) A POLICYHOLDER OR APPLICANT FOR A POLICY OF PROPERTY  
14 INSURANCE WHO DISAGREES WITH THE WILDFIRE RISK SCORE, OR WITH  
15 ANY OTHER WILDFIRE RISK CLASSIFICATION ASSIGNED TO THE  
16 POLICYHOLDER'S OR APPLICANT'S PROPERTY, MAY APPEAL THE SCORE  
17 DIRECTLY TO THE INSURER. THE INSURER SHALL NOTIFY THE  
18 POLICYHOLDER OR APPLICANT IN WRITING OF THE RIGHT TO APPEAL THE  
19 WILDFIRE RISK SCORE OR OTHER WILDFIRE RISK CLASSIFICATION WHEN THE  
20 SCORE OR CLASSIFICATION IS PROVIDED TO THE POLICYHOLDER OR  
21 APPLICANT AS REQUIRED BY SUBSECTION (5) OF THIS SECTION. IF THE  
22 POLICYHOLDER OR APPLICANT APPEALS THE WILDFIRE RISK SCORE OR  
23 OTHER WILDFIRE RISK CLASSIFICATION, THE INSURER SHALL  
24 ACKNOWLEDGE RECEIPT OF THE APPEAL IN WRITING WITHIN TEN  
25 CALENDAR DAYS AFTER RECEIPT OF THE APPEAL. THE INSURER SHALL  
26 RESPOND TO THE APPEAL IN WRITING WITH A RECONSIDERATION AND  
27 DECISION WITHIN THIRTY CALENDAR DAYS AFTER RECEIVING THE APPEAL.

1 IF AN APPEAL IS DENIED, THE INSURER SHALL, UPON REQUEST BY THE  
2 COMMISSIONER, FORWARD A COPY OF THE APPEAL AND THE INSURER'S  
3 RESPONSE, TO THE COMMISSIONER.

4 (8) THE COMMISSIONER MAY ADOPT RULES TO IMPLEMENT THIS  
5 SECTION.

6 **SECTION 2. Act subject to petition - effective date -**  
7 **applicability.** (1) This act takes effect January 1, 2026; except that, if a  
8 referendum petition is filed pursuant to section 1 (3) of article V of the  
9 state constitution against this act or an item, section, or part of this act  
10 within the ninety-day period after final adjournment of the general  
11 assembly, then the act, item, section, or part will not take effect unless  
12 approved by the people at the general election to be held in November  
13 2026 and, in such case, will take effect January 1, 2026, or on the date of  
14 the official declaration of the vote thereon by the governor, whichever is  
15 later.

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