

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 25-0267.01 Kristen Forrestal x4217

HOUSE BILL 25-1182

HOUSE SPONSORSHIP

Titone and Brown, Bacon, Bird, Boesenecker, Joseph, Lindsay, Marshall, McCluskie, Ricks, Stewart K., Story

SENATE SPONSORSHIP

Cutter and Simpson,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING TOOLS TO ASSESS RISK FOR THE PURPOSE OF**
102 **UNDERWRITING PROPERTY INSURANCE POLICIES.**

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.

HOUSE
3rd Reading Unamended
March 20, 2025

HOUSE
Amended 2nd Reading
March 19, 2025

policyholders.

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 insurance - underwriting - wildfire risk**
5 **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 ■ TO ESTIMATE
10 POTENTIAL LOSSES FROM CATASTROPHIC EVENTS.

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

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

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

1 CLASSIFYING, OR PRICING BASED ON WILDFIRE RISK OR ESTIMATING RISKS
2 OR LOSSES CORRESPONDING TO THE WILDFIRE RISK CLASSIFICATIONS.

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

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

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

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

1 AND PRICING:

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

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

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

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

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

26 (b) THE AMOUNT OF THE DISCOUNT, INCENTIVE, OR OTHER
27 PREMIUM ADJUSTMENT ASSOCIATED WITH EACH ACTION.

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

12 (b) THE NOTICE SHALL INCLUDE:

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

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

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

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

27 (V) THE IMPACT, IF ANY, THAT EACH PROPERTY-SPECIFIC

1 MITIGATION OR COMMUNITY-LEVEL MITIGATION ACTION COULD HAVE ON
2 A WILDFIRE RISK SCORE OR CLASSIFICATION ASSIGNED TO THE PROPERTY.

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

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

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

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

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

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

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

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

16 (10) THIS SECTION APPLIES ONLY TO HOMEOWNER'S INSURANCE
17 POLICIES AS DEFINED IN SECTION 10-4-110.6, PROPERTY INSURANCE
18 POLICIES COVERING CONDOMINIUM UNITS AS DEFINED IN SECTION
19 38-33-103 (1), AND MULTIFAMILY RESIDENTIAL HOUSING AS DEFINED IN
20 SECTION 24-32-3701 (9).

21 (11) THE COMMISSIONER MAY ADOPT RULES TO IMPLEMENT THIS
22 SECTION.

23 **SECTION 2. Act subject to petition - effective date -**
24 **applicability.** (1) This act takes effect July 1, 2026; except that, if a
25 referendum petition is filed pursuant to section 1 (3) of article V of the
26 state constitution against this act or an item, section, or part of this act
27 within the ninety-day period after final adjournment of the general

1 assembly, then the act, item, section, or part will not take effect unless
2 approved by the people at the general election to be held in November
3 2026 and, in such case, will take effect on the date of the official
4 declaration of the vote thereon by the governor.

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