

First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0359.01 Brita Darling x2241

HOUSE BILL 25-1302

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HOUSE SPONSORSHIP

Brown and McCluskie,

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Amabile,

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House Committees  
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A BILL FOR AN ACT

101 CONCERNING INCREASING THE AVAILABILITY OF HOMEOWNER'S  
102 INSURANCE IN THE STATE.

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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>.)*

The bill creates 2 enterprises in the division of insurance (division) in the department of regulatory agencies.

The bill creates the strengthen Colorado homes enterprise (strengthen homes enterprise), which is a state-owned business that imposes and collects a fee from insurance companies (insurers), including the FAIR plan association, that offer homeowner's insurance policies in

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.

Colorado, which fee is equal to 1.5% of the dollar amount of the premiums that the insurer collects from homeowners for issuing homeowner's insurance policies (insurer fee).

With the insurer fee revenue, the strengthen homes enterprise board administers a grant program (grant program) to strengthen homes against the risk of future damage claims caused by high winds, wildfire, hail, and other extreme weather events (extreme weather events) by allowing a homeowner to use grant money to upgrade their roof system with certain resilient roof materials. By paying the insurer fee to support the grant program to retrofit homes with resilient roofs, insurers reduce their overall risk in the market due to hail and other extreme weather events.

The bill also creates the wildfire catastrophe reinsurance enterprise (reinsurance enterprise), which is a state-owned business implementing and administering the wildfire catastrophe reinsurance program (reinsurance program). The reinsurance program makes reinsurance payments to insurers that offer homeowner's insurance on properties located in the state to partially mitigate losses in the event of a state or federally declared wildfire-related disaster (wildfire-related disaster). The purpose of the reinsurance program is to stabilize the homeowner's insurance market in the state and to attract and retain homeowner's insurers. In exchange for access to the reinsurance program, the reinsurance program requires insurers to sell homeowner's insurance in areas of the state that are at high risk for wildfires.

To pay for the reinsurance program, the reinsurance enterprise:

- Issues revenue bonds secured by the reinsurance enterprise;
- Issues a catastrophe bond to a person that purchases the bond but pays the principal to cover costs of a wildfire-related disaster if it occurs;
- May impose and collect an insurer fee on insurers to cover a shortfall if a wildfire-related disaster does not occur during the bond term and the reinsurance enterprise has insufficient money to redeem the bonds at maturity; and
- Invests the revenue from the bonds and insurer fees.

In addition, the bill sets the loss ratio for homeowner's insurance by presuming that the rates charged to purchasers are excessive if the insurer's loss ratio is less than 75% over a 3-year period and, if rates are in excess of the loss ratio, requires insurers to submit rates that are at least 5% less than the previous year.

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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** parts 20 and 21

1 to article 4 of title 10 as follows:

2 PART 20

3 STRENGTHEN COLORADO HOMES ENTERPRISE

4 **10-4-2001. Legislative declaration.** (1) THE GENERAL  
5 ASSEMBLY:

6 (a) FINDS AND DETERMINES THAT:

7 (I) INCREASED GREENHOUSE GAS EMISSIONS AND RAPIDLY RISING  
8 TEMPERATURES RESULTING FROM HUMAN ACTIVITY ARE CHANGING THE  
9 CLIMATE IN WAYS THAT THREATEN COLORADO'S ECONOMY, THE HEALTH  
10 OF ITS RESIDENTS, AND ITS NATURAL LANDSCAPE;

11 (II) THESE TEMPERATURE INCREASES HAVE AN IMPACT ON  
12 COLORADO'S ENVIRONMENT, WITH DROUGHT, HEAT WAVES, WINDSTORMS,  
13 WILDFIRES, HAIL, AND OTHER EXTREME WEATHER EVENTS INCREASING IN  
14 RECENT YEARS;

15 (III) THE ECONOMIC IMPACTS OF THESE INCREASINGLY FREQUENT  
16 AND SEVERE WEATHER EVENTS ARE SIGNIFICANT;

17 (IV) COLORADO PROPERTY OWNERS IN THE STATE ARE FACED  
18 WITH CHALLENGES IN FINDING INSURANCE COVERAGE AND INCREASING  
19 INSURANCE PREMIUMS, UNDERMINING THE ABILITY TO PURCHASE, SELL,  
20 AND OWN A HOME;

21 (V) THERE IS A NEED IN THE STATE TO ENCOURAGE INVESTMENTS  
22 IN HOME HARDENING, WHICH MEANS MAKING HOMES AND COMMUNITIES  
23 MORE RESILIENT TO EXTREME WEATHER EVENTS SUCH AS HAIL AND  
24 WILDFIRES;

25 (VI) MAKING INVESTMENTS IN HOME HARDENING WILL DECREASE  
26 LOSSES THAT WOULD OTHERWISE PREDOMINANTLY BE PAID BY INSURERS  
27 AND WILL ALLOW AND ENCOURAGE INSURER PARTICIPATION AND

1 COMPETITION IN THE INSURANCE MARKET TO OFFER COVERAGE  
2 THROUGHOUT THE STATE TO ALL COLORADANS, RESULTING IN LONG-TERM  
3 SAVINGS FOR INSURERS; AND

4 (VII) ACCORDINGLY, IT IS APPROPRIATE TO FINANCE A HOME  
5 HARDENING PROGRAM THROUGH A FEE IMPOSED ON HOMEOWNER'S  
6 INSURANCE PRODUCTS; AND

7 (b) DECLARES THAT:

8 (I) THE STRENGTHEN COLORADO HOMES ENTERPRISE PROVIDES  
9 VALUABLE SERVICES, BENEFITS, AND USEFUL BUSINESS SERVICES TO  
10 INSURERS WHEN, IN EXCHANGE FOR PAYMENT OF THE FEE DESCRIBED IN  
11 SECTION 10-4-2003, THE ENTERPRISE USES THE FEE REVENUE TO PROVIDE  
12 GRANTS TO HOMEOWNERS TO FORTIFY THE ROOF OF AND OTHERWISE  
13 MITIGATE THE RISK OF LOSSES TO AN INSURED PROPERTY RESULTING FROM  
14 NATURAL DISASTERS AND EXTREME WEATHER, INCLUDING HAIL, THUS  
15 REDUCING RISK AND LOSSES TO INSURERS IN THE STATE;

16 (II) BY PROVIDING THE BENEFITS AND SERVICES SPECIFIED IN THIS  
17 PART 20, THE STRENGTHEN COLORADO HOMES ENTERPRISE ENGAGES IN  
18 ACTIVITIES CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR  
19 LIVELIHOOD AND THEREFORE OPERATES AS A BUSINESS;

20 (III) CONSISTENT WITH THE DETERMINATION OF THE COLORADO  
21 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896  
22 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS  
23 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE  
24 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES  
25 THAT THE REVENUE COLLECTED BY THE ENTERPRISE IS GENERATED BY  
26 FEES, NOT TAXES, BECAUSE THE MONEY CREDITED TO THE ENTERPRISE IS:

27 (A) FOR THE SPECIFIC PURPOSE OF ALLOWING THE ENTERPRISE TO

1 DEFRAID THE COSTS OF PROVIDING THE SERVICES DESCRIBED IN THIS PART  
2 20;

3 (B) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED  
4 BASED ON THE COSTS OF THE SERVICES PROVIDED BY THE ENTERPRISE;  
5 AND

6 (C) NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION  
7 24-77-102(17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6  
8 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR  
9 SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE  
10 CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN  
11 SECTION 24-77-103.6 (6)(b), SO LONG AS THE ENTERPRISE QUALIFIES AS  
12 AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE  
13 CONSTITUTION; AND

14 (IV) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR  
15 WITHIN THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE  
16 AS THE ENTERPRISE, AND THE ENTERPRISE WILL GENERATE REVENUE FROM  
17 FEES AND SURCHARGES OF LESS THAN ONE HUNDRED MILLION DOLLARS  
18 TOTAL IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE CREATION OF  
19 THE ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO  
20 SECTION 24-77-108.

21 **10-4-2002. Definitions.** AS USED IN THIS PART 20, UNLESS THE  
22 CONTEXT OTHERWISE REQUIRES:

23 (1) "BOARD" OR "ENTERPRISE BOARD" MEANS THE GOVERNING  
24 BOARD OF THE STRENGTHEN COLORADO HOMES ENTERPRISE.

25 (2) "FAIR PLAN ASSOCIATION" MEANS THE FAIR ACCESS TO  
26 INSURANCE REQUIREMENTS PLAN ASSOCIATION CREATED IN SECTION  
27 10-4-1804.

1 (3) "FEE" MEANS THE FEE THAT THE ENTERPRISE IMPOSES AND  
2 COLLECTS FROM INSURERS PURSUANT TO SECTION 10-4-2003 (4).

3 (4) "FUND" MEANS THE STRENGTHEN COLORADO HOMES  
4 ENTERPRISE FUND CREATED IN SECTION 10-4-2003 (5).

5 (5) "GRANT PROGRAM" MEANS THE STRENGTHEN COLORADO  
6 HOMES ENTERPRISE GRANT PROGRAM CREATED IN SECTION 10-4-2004.

7 (6) "RESILIENT ROOF SYSTEM" MEANS THE INTEGRATED ASSEMBLY  
8 OF COMPONENTS THAT PROTECT A STRUCTURE FROM ENVIRONMENTAL  
9 ELEMENTS, INCLUDING THE ROOF COVERING, UNDERLAYMENT, DECKING,  
10 FLASHING, VENTS, SOFFITS, FASCIA, GUTTERS, DOWNSPOUTS, AND  
11 STRUCTURAL SUPPORTS. "RESILIENT ROOF SYSTEM" INCLUDES BOTH  
12 MATERIALS AND CONSTRUCTION TECHNIQUES THAT ARE DESIGNED TO  
13 EXCEED RECOGNIZED PERFORMANCE STANDARDS FOR EXTREME WEATHER  
14 EVENTS.

15 (7) "STRENGTHEN COLORADO HOMES ENTERPRISE" OR  
16 "ENTERPRISE" MEANS THE STRENGTHEN COLORADO HOMES ENTERPRISE  
17 CREATED IN SECTION 10-4-2003 (1).

18 **10-4-2003. Strengthen Colorado homes enterprise - creation**  
19 **- purpose - enterprise board - powers and duties - fee - fund - gifts,**  
20 **grants, or donations - rules - reporting - repeal. (1) Enterprise -**  
21 **creation - purpose. (a) (I) THE STRENGTHEN COLORADO HOMES**  
22 **ENTERPRISE IS CREATED IN THE DIVISION. THE ENTERPRISE IS A TYPE 1**  
23 **ENTITY, AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS**  
24 **AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DIVISION. THE**  
25 **ENTERPRISE IS AND OPERATES AS A GOVERNMENT-OWNED BUSINESS**  
26 **WITHIN THE DIVISION.**

27 (II) THE BUSINESS PURPOSE OF THE ENTERPRISE IS TO IMPOSE AND

1 COLLECT A FEE CHARGED TO CERTAIN INSURERS AND TO USE THE REVENUE  
2 FROM THE FEE TO PROVIDE THE FOLLOWING BUSINESS SERVICES TO  
3 INSURERS PAYING THE FEE:

4 (A) AWARDING GRANTS TO INSURED HOMEOWNERS PURSUANT TO  
5 SECTION 10-4-2004 TO DEFRAY THE COST OF RETROFITTING RESIDENTIAL  
6 PROPERTY TO RESIST LOSS BY PURCHASING AND INSTALLING RESILIENT  
7 ROOF SYSTEMS USING QUALIFIED PROFESSIONALS;

8 (B) THROUGH THE INSTALLATION OF RESILIENT ROOF SYSTEMS ON  
9 HOMES IN THE STATE, REDUCING THE FREQUENCY OF HAIL DAMAGE  
10 CLAIMS;

11 (C) IMPROVING INSURANCE MARKET STABILITY THROUGHOUT THE  
12 STATE; AND

13 (D) REDUCING INSURER LOSSES BY INCREASING THE NUMBER OF  
14 HOMES WITH RESILIENT ROOF SYSTEMS.

15 (b) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES  
16 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT  
17 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS  
18 THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL  
19 COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT  
20 CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (1), THE  
21 ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE  
22 CONSTITUTION.

23 (2) **Enterprise board.** (a) THE ENTERPRISE IS GOVERNED BY THE  
24 ENTERPRISE BOARD.

25 (b) THE BOARD CONSISTS OF THE FOLLOWING THREE VOTING  
26 MEMBERS:

27 (I) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE; AND

1 (II) TWO MEMBERS APPOINTED BY THE GOVERNOR TO SERVE  
2 THREE-YEAR TERMS, INCLUDING:

3 (A) ONE MEMBER WHO IS AN INSURER WITH EXPERTISE IN  
4 HOMEOWNER'S INSURANCE; AND

5 (B) ONE MEMBER WHO HAS EXPERTISE OR EXPERIENCE IN HOME  
6 HARDENING AND OTHER MITIGATION ACTIVITIES.

7 (c) OF THE FIRST MEMBERS APPOINTED TO THE BOARD PURSUANT  
8 TO SUBSECTION (2)(b)(II) OF THIS SECTION, ONE MEMBER SHALL SERVE AN  
9 INITIAL TERM OF TWO YEARS.

10 (d) (I) THE GOVERNOR SHALL MAKE THE INITIAL APPOINTMENTS TO  
11 THE BOARD NO LATER THAN JANUARY 1, 2026.

12 (II) THIS SUBSECTION (2)(d) IS REPEALED, EFFECTIVE JULY 1, 2027.

13 (e) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE IS THE  
14 CHAIR OF THE BOARD.

15 (f) MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION BUT  
16 MUST BE REIMBURSED FROM MONEY IN THE FUND FOR ACTUAL AND  
17 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES  
18 PURSUANT TO THIS PART 20.

19 (g) THE BOARD SHALL CONDUCT THE ENTERPRISE'S BUSINESS AS  
20 REQUIRED BY STATE LAW, INCLUDING IN COMPLIANCE WITH THE OPEN  
21 MEETING REQUIREMENTS OF PART 4 OF ARTICLE 6 OF TITLE 24 AND THE  
22 OPEN RECORD REQUIREMENTS OF ARTICLE 72 OF TITLE 24.

23 (3) **Powers and duties.** (a) THE ENTERPRISE'S PRIMARY POWERS  
24 AND DUTIES ARE TO:

25 (I) IMPOSE AND COLLECT THE ENTERPRISE FEE FROM INSURERS  
26 PURSUANT TO SUBSECTION (4) OF THIS SECTION;

27 (II) AWARD GRANTS FROM MONEY IN THE FUND IN ACCORDANCE



1 WITH THE GRANT PROGRAM REQUIREMENTS SPECIFIED IN SECTION  
2 10-4-2004;

3 (III) ISSUE REVENUE BONDS FOR THE EXPENSES OF THE  
4 ENTERPRISE, SECURED BY REVENUE OF THE ENTERPRISE;

5 (IV) PAY THE ADMINISTRATIVE EXPENSES OF THE ENTERPRISE;

6 (V) ADOPT, AMEND, OR REPEAL RULES OR POLICIES FOR THE  
7 REGULATION OF THE ENTERPRISE'S AFFAIRS AND THE CONDUCT OF THE  
8 ENTERPRISE'S BUSINESS CONSISTENT WITH THIS PART 20;

9 (VI) (A) CONTRACT WITH ANY PUBLIC OR PRIVATE ENTITY,  
10 INCLUDING STATE AGENCIES, CONSULTANTS, AND THE ATTORNEY  
11 GENERAL'S OFFICE, FOR PROFESSIONAL AND TECHNICAL ASSISTANCE,  
12 OFFICE SPACE AND ADMINISTRATIVE SERVICES, ADVICE, AND OTHER  
13 SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE.

14 (B) THE ENTERPRISE SHALL PAY A FAIR MARKET RATE TO ANY  
15 PUBLIC ENTITY, PRIVATE ENTITY, CONTRACTOR, OR CONSULTANT, WHICH  
16 MAY INCLUDE A STATE AGENCY, THE ATTORNEY GENERAL'S OFFICE, THE  
17 DIVISION, OR THE DEPARTMENT, THAT IS HIRED BY THE ENTERPRISE,  
18 WITHOUT REGARD TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112  
19 OF TITLE 24, TO PERFORM DUTIES PURSUANT TO THIS SUBSECTION (3).

20 (VII) PREPARE AND SUBMIT AN ANNUAL FINANCIAL REPORT  
21 PURSUANT TO SUBSECTION (7) OF THIS SECTION CONCERNING THE  
22 ADMINISTRATION OF THE ENTERPRISE AND THE GRANT PROGRAM AND POST  
23 THE REPORT ON THE ENTERPRISE'S PUBLIC-FACING WEBSITE.

24 (b) THE ENTERPRISE MAY SEEK, ACCEPT, AND EXPEND GRANTS OR  
25 OTHER MONEY FROM THE FEDERAL GOVERNMENT AND GIFTS, GRANTS, OR  
26 DONATIONS FROM OTHER PUBLIC AND PRIVATE SOURCES TO SUPPORT AND  
27 ENHANCE ENTERPRISE ACTIVITIES; EXCEPT THAT THE ENTERPRISE SHALL

1 NOT ACCEPT GRANTS FROM THE STATE OR FROM LOCAL GOVERNMENTS  
2 UNLESS THE COMBINED TOTAL OF ALL GRANTS FROM SUCH SOURCES IS  
3 UNDER TEN PERCENT OF THE ENTERPRISE'S ANNUAL REVENUE.

4 (4) **Fee - rules.** (a) BEGINNING IN THE 2026 CALENDAR YEAR ON  
5 OR BEFORE A DATE DETERMINED BY THE ENTERPRISE, AND ANNUALLY  
6 EACH CALENDAR YEAR THEREAFTER ON OR BEFORE THE SAME DATE, EACH  
7 INSURER THAT HAS A POLICY OR CONTRACT FOR HOMEOWNER'S MULTIPLE  
8 PERIL INSURANCE COVERING PROPERTY OR RISKS IN THE STATE SHALL PAY  
9 A FEE IMPOSED AND COLLECTED BY THE ENTERPRISE PURSUANT TO  
10 SUBSECTION (4)(c) OF THIS SECTION. THE FAIR PLAN ASSOCIATION SHALL  
11 PAY THE FEE IMPOSED AND COLLECTED BY THE ENTERPRISE PURSUANT TO  
12 SUBSECTION (4)(c) OF THIS SECTION FOR EACH OF ITS POLICIES COVERING  
13 A HOMEOWNER'S PROPERTY OR RISK IN THE STATE.

14 (b) THE ENTERPRISE SHALL CREDIT THE FEES COLLECTED TO THE  
15 FUND. A FEE COLLECTED BY THE ENTERPRISE IS EXCLUDED FROM THE  
16 STATE'S FISCAL YEAR SPENDING.

17 (c) (I) THE AMOUNT OF THE FEE IS AN AMOUNT EQUAL TO ONE AND  
18 ONE-HALF PERCENT ON THE PERCENTAGE OF TOTAL PREMIUMS COLLECTED  
19 BY EACH INSURER AND BY THE FAIR PLAN ASSOCIATION IN THE  
20 IMMEDIATELY PRECEDING CALENDAR YEAR ON HOMEOWNER'S INSURANCE  
21 POLICIES ISSUED IN THE STATE ON ANY HOME THAT DOES NOT HAVE A  
22 RESILIENT ROOF SYSTEM THAT MEETS THE STANDARDS OF THE INSURANCE  
23 INSTITUTE FOR BUSINESS AND HOME SAFETY OR SIMILAR STANDARDS, AS  
24 DETERMINED BY THE BOARD BY RULE.

25 (II) THE ENTERPRISE MAY LOWER THE FEE OR CEASE COLLECTING  
26 THE FEE IN ANY CALENDAR YEAR TO ENSURE THAT THE TOTAL AMOUNT OF  
27 FEE REVENUE DOES NOT EXCEED ONE HUNDRED MILLION DOLLARS OVER

1 THE FIRST FIVE FISCAL YEARS OF THE ENTERPRISE'S EXISTENCE.

2 (d) THE ENTERPRISE MAY ANNUALLY REQUEST FROM INSURERS  
3 AND THE FAIR PLAN ASSOCIATION INFORMATION ABOUT POLICIES AND  
4 CONTRACTS AS NECESSARY TO IMPLEMENT AND ENFORCE THIS PART 20  
5 AND MAY REQUEST THAT THE DIVISION IMPOSE, AFTER A PUBLIC HEARING,  
6 A CIVIL FINE OR PENALTY OF NOT MORE THAN ONE HUNDRED TWENTY  
7 PERCENT OF THE FEE DUE TO THE ENTERPRISE FOR A VIOLATION OF THIS  
8 PART 20. THE DIVISION SHALL CREDIT THE FINE TO THE FUND.

9 (5) **Fund.** (a) THE STRENGTHEN COLORADO HOMES ENTERPRISE  
10 FUND IS CREATED IN THE STATE TREASURY.

11 (b) THE FUND CONSISTS OF:

12 (I) FEES IMPOSED AND COLLECTED FROM INSURERS PURSUANT TO  
13 SUBSECTION (4) OF THIS SECTION;

14 (II) GRANTS OR OTHER MONEY RECEIVED FROM THE FEDERAL  
15 GOVERNMENT OR GIFTS, GRANTS, AND DONATIONS RECEIVED FROM PUBLIC  
16 OR PRIVATE SOURCES TO SUPPORT AND ENHANCE ENTERPRISE ACTIVITIES;

17 (III) FINES FOR FAILURE TO PAY THE ENTERPRISE FEE IMPOSED  
18 PURSUANT TO SUBSECTION (4)(d) OF THIS SECTION;

19 (IV) ANY MONEY FROM BONDS ISSUED PURSUANT TO SUBSECTION  
20 (3)(a)(III) OF THIS SECTION; AND

21 (V) ANY MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE  
22 OR TRANSFER TO THE FUND.

23 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
24 ENTERPRISE FOR THE PURPOSES SET FORTH IN THIS PART 20 AND TO PAY  
25 THE ENTERPRISE'S REASONABLE AND NECESSARY ADMINISTRATIVE AND  
26 OPERATING EXPENSES.

27 (d) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND

1 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
2 FUND TO THE FUND.

3 (6) **Rules.** THE ENTERPRISE BOARD SHALL ADOPT RULES THAT ARE  
4 REASONABLE AND NECESSARY FOR ADMINISTRATION AND  
5 IMPLEMENTATION OF THE ENTERPRISE AND THE GRANT PROGRAM.

6 (7) **Reporting.** (a) NOTWITHSTANDING SECTION 24-1-136  
7 (11)(a)(I), BEGINNING JULY 1, 2027, AND EACH JULY 1 THEREAFTER, THE  
8 ENTERPRISE SHALL SUBMIT A REPORT TO THE COMMITTEES OF REFERENCE  
9 OF THE GENERAL ASSEMBLY TO WHICH THE DEPARTMENT IS ASSIGNED  
10 PURSUANT TO SECTION 2-7-203 CONCERNING THE ADMINISTRATION AND  
11 IMPLEMENTATION OF THE ENTERPRISE AND THE GRANT PROGRAM.

12 (b) THE ANNUAL REPORT MUST INCLUDE:

13 (I) THE AMOUNT OF FEES COLLECTED FROM INSURERS AND THE  
14 FAIR PLAN ASSOCIATION, AND THE UNOBLIGATED BALANCE OF THE FUND;

15 (II) THE NUMBER OF GRANT APPLICATIONS AND THE AMOUNT OF  
16 GRANTS AWARDED;

17 (III) THE AREAS OF THE STATE WHERE GRANT RECIPIENTS RESIDE;  
18 AND

19 (IV) ANY OTHER INFORMATION RELEVANT TO THE SUCCESS OF THE  
20 ENTERPRISE AND THE GRANT PROGRAM.

21 **10-4-2004. Strengthen Colorado homes enterprise grant**  
22 **program - application - eligibility criteria - award of grants - rules.**

23 (1) THERE IS CREATED IN THE ENTERPRISE THE STRENGTHEN COLORADO  
24 HOMES ENTERPRISE GRANT PROGRAM TO PROVIDE GRANTS TO COLORADO  
25 HOMEOWNERS TO RETROFIT RESIDENTIAL PROPERTY TO RESIST LOSS DUE  
26 TO COMMON PERILS, INCLUDING HAIL, WINDSTORMS, WILDFIRE, AND  
27 OTHER EXTREME WEATHER EVENTS.

1           (2) (a) SUBJECT TO AVAILABLE FEE REVENUE, THE ENTERPRISE  
2 BOARD SHALL AWARD GRANTS, IN ACCORDANCE WITH THIS SECTION, FROM  
3 THE FUND. THE BOARD MAY ESTABLISH PROCEDURES AND CRITERIA FOR  
4 THE AWARD OF GRANTS IF THERE IS INSUFFICIENT MONEY IN THE FUND TO  
5 AWARD GRANTS TO ALL ELIGIBLE HOMEOWNER APPLICANTS.

6           (b) THE BOARD MAY CONTRACT WITH A THIRD-PARTY VENDOR TO  
7 ADMINISTER THE GRANT PROGRAM.

8           (3) IN ADDITION TO ANY GRANT PROGRAM CRITERIA ESTABLISHED  
9 BY THE BOARD BY RULE, A HOMEOWNER AWARDED A GRANT SHALL:

10          (a) HAVE AN INSURABLE RESIDENTIAL PROPERTY LOCATED IN  
11 COLORADO THAT IS COVERED BY A HOMEOWNER'S MULTIPLE PERIL  
12 INSURANCE POLICY;

13          (b) OBTAIN ALL PERMITS REQUIRED BY LAW FOR CONSTRUCTION;

14          (c) COMPLY WITH ALL APPLICABLE BUILDING CODES;

15          (d) ARRANGE AND PAY FOR INSPECTIONS REQUIRED BY LAW AND  
16 THE TERMS OF THE GRANT PROGRAM;

17          (e) CONSTRUCT A ROOF THAT MEETS THE STANDARDS OF THE  
18 INSURANCE INSTITUTE FOR BUSINESS AND HOME SAFETY OR SIMILAR  
19 STANDARDS, AS DETERMINED BY THE BOARD BY RULE; AND

20          (f) SELECT A CONTRACTOR LICENSED IN THE STATE WITH  
21 DEMONSTRATED EVIDENCE OF PASSING A NATIONALLY RECOGNIZED  
22 EXAMINATION THAT MEETS THE 2024 BUILDING CODE MANDATES FOR  
23 ROOF WORK ON RESIDENTIAL PROPERTY AND ANY SUBSEQUENT UPDATES  
24 TO THE BUILDING CODE.

25          (4) THE BOARD MAY PERFORM AUDITS TO VERIFY:

26          (a) THE ACCURACY OF THE INFORMATION INCLUDED IN AN  
27 APPLICATION; AND

1 (b) THAT THE APPLICANT MEETS ALL ELIGIBILITY CRITERIA.

2 (5) A HOMEOWNER SHALL NOT USE MONEY THAT IS AWARDED AS  
3 A GRANT TO PAY FOR GENERAL ROOF MAINTENANCE OR REPAIR, BUT MAY  
4 USE GRANT MONEY IN CONJUNCTION WITH REPAIRS OR RECONSTRUCTION  
5 NECESSITATED BY DAMAGE FROM WIND, HAIL, WILDFIRE, OR OTHER  
6 EXTREME WEATHER EVENTS OR FOR PROACTIVE RETROFITTING  
7 NECESSITATED BY OR DESIGNED TO PREVENT SUCH DAMAGE.

8 (6) THE ENTERPRISE BOARD SHALL ADOPT RULES FOR THE  
9 ADMINISTRATION AND IMPLEMENTATION OF THE GRANT PROGRAM,  
10 INCLUDING THE STANDARDS FOR A RESILIENT ROOF SYSTEM, THE CRITERIA  
11 USED TO DETERMINE WHETHER AN APPLICANT IS ELIGIBLE FOR A GRANT  
12 UNDER THIS SECTION, AND THE AMOUNT AND TIMING OF THE GRANT  
13 AWARD. IN ADOPTING ELIGIBILITY REQUIREMENTS FOR THE GRANTS, THE  
14 BOARD MAY TAKE INTO CONSIDERATION APPLICANT INCOME, WHETHER AN  
15 APPLICANT LIVES IN A LOCATION THAT, BASED ON HISTORICAL DATA, HAS  
16 A HIGHER SUSCEPTIBILITY TO EXTREME WEATHER EVENTS, THE NUMBER  
17 OF APPLICANTS, AND ANY OTHER CRITERIA THE BOARD DETERMINES IS  
18 APPROPRIATE TO MEET THE PURPOSE OF THE ENTERPRISE AND THE MONEY  
19 AVAILABLE FOR GRANTS.

20 (7) NOTHING IN THIS SECTION CREATES:

21 (a) AN ENTITLEMENT FOR A HOMEOWNER TO RECEIVE GRANT  
22 MONEY TO INSPECT OR RETROFIT RESIDENTIAL PROPERTY; OR

23 (b) AN OBLIGATION FOR THE STATE TO APPROPRIATE MONEY TO  
24 INSPECT OR RETROFIT RESIDENTIAL PROPERTY.

25 **10-4-2005. Repeal of part - subject to review.** THIS PART 20 IS  
26 REPEALED, EFFECTIVE SEPTEMBER 1, 2035. BEFORE THE REPEAL, THE  
27 ENTERPRISE AND THE GRANT PROGRAM ARE SCHEDULED FOR REVIEW IN

1 ACCORDANCE WITH SECTION 24-34-104.

2 PART 21

3 WILDFIRE CATASTROPHE REINSURANCE ENTERPRISE

4 **10-4-2101. Legislative declaration.** (1) THE GENERAL  
5 ASSEMBLY:

6 (a) FINDS AND DETERMINES THAT:

7 (I) INCREASED GREENHOUSE GAS EMISSIONS AND RAPIDLY RISING  
8 TEMPERATURES ARE CHANGING THE CLIMATE IN WAYS THAT THREATEN  
9 COLORADO'S ECONOMY, THE HEALTH OF ITS RESIDENTS, AND ITS NATURAL  
10 LANDSCAPE;

11 (II) THE CHANGING CLIMATE IS ALREADY IMPACTING COLORADO'S  
12 ENVIRONMENT, WITH DROUGHT, HEAT WAVES, HIGH WINDSTORMS,  
13 WILDFIRES, AND OTHER EXTREME WEATHER EVENTS INCREASING IN SIZE  
14 AND SEVERITY IN RECENT YEARS;

15 (III) THE ECONOMIC IMPACTS OF THESE EXTREME WEATHER  
16 EVENTS ON COLORADO AND ITS RESIDENTS ARE SIGNIFICANT, ESPECIALLY  
17 THE IMPACTS FROM WILDFIRES;

18 (IV) COLORADO PROPERTY OWNERS ARE FACED WITH CHALLENGES  
19 IN FINDING INSURANCE COVERAGE AND IN PAYING INCREASING INSURANCE  
20 PREMIUMS, UNDERMINING THE ABILITY OF COLORADANS TO PURCHASE,  
21 SELL, AND OWN A HOME;

22 (V) ESTABLISHING A REINSURANCE PROGRAM TO COVER CERTAIN  
23 HOMEOWNER LOSSES CAUSED BY WILDFIRES WILL DECREASE LOSSES TO  
24 INSURERS, PROVIDE MORE PREDICTABILITY FOR INSURERS, AND  
25 ENCOURAGE INSURER COMPETITION AND PARTICIPATION IN THE  
26 HOMEOWNER'S INSURANCE MARKET;

27 (VI) ROBUST PARTICIPATION BY INSURERS IN THE HOMEOWNER'S

1 INSURANCE MARKET IS NECESSARY TO ENSURE AFFORDABLE  
2 HOMEOWNER'S INSURANCE COVERAGE THROUGHOUT THE STATE TO ALL  
3 COLORADANS, INCLUDING THOSE IN AREAS OF THE STATE AT HIGH RISK  
4 FOR WILDFIRES; AND

5 (VII) ACCORDINGLY, IT IS APPROPRIATE TO CREATE A  
6 REINSURANCE PROGRAM TO MITIGATE CATASTROPHIC LOSSES TO INSURERS  
7 FROM STATE OR FEDERALLY DECLARED WILDFIRE-RELATED DISASTERS  
8 AND, IN EXCHANGE FOR THAT SERVICE, TO PROVIDE MONEY FOR THE  
9 REINSURANCE PROGRAM BY ISSUING REVENUE AND CATASTROPHE BONDS  
10 AND IMPOSING AN INSURER FEE IN CERTAIN CIRCUMSTANCES; AND

11 (b) DECLARES THAT:

12 (I) THE INSURER FEE IS REASONABLY RELATED TO THE OVERALL  
13 COST OF THE SERVICE PROVIDED IN THIS PART 21 AND IS IMPOSED ON  
14 INSURERS IN THE STATE THAT WILL BENEFIT FROM OR USE THE SERVICE  
15 PROVIDED BY THE WILDFIRE CATASTROPHE REINSURANCE ENTERPRISE;

16 (II) BY PROVIDING THE BENEFITS AND SERVICES SPECIFIED IN THIS  
17 PART 21, THE ENTERPRISE ENGAGES IN ACTIVITIES CONDUCTED IN THE  
18 PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD AND THEREFORE OPERATES  
19 AS A BUSINESS;

20 (III) CONSISTENT WITH THE DETERMINATION OF THE COLORADO  
21 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896  
22 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS  
23 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE  
24 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES  
25 THAT THE REVENUE COLLECTED BY THE ENTERPRISE IS GENERATED BY  
26 FEES, NOT TAXES, BECAUSE THE MONEY CREDITED TO THE ENTERPRISE IS:

27 (A) FOR THE SPECIFIC PURPOSE OF ALLOWING THE ENTERPRISE TO



1 DEFRAID THE COSTS OF PROVIDING THE SERVICES DESCRIBED IN THIS PART  
2 21;

3 (B) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED  
4 BASED ON THE COSTS OF THE SERVICES PROVIDED BY THE ENTERPRISE;  
5 AND

6 (C) NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION  
7 24-77-102(17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6  
8 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR  
9 SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE  
10 CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN  
11 SECTION 24-77-103.6 (6)(b), SO LONG AS THE ENTERPRISE QUALIFIES AS  
12 AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE  
13 CONSTITUTION; AND

14 (IV) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR  
15 WITHIN THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE  
16 AS THE ENTERPRISE, AND THE ENTERPRISE WILL GENERATE REVENUE FROM  
17 FEES AND SURCHARGES OF LESS THAN ONE HUNDRED MILLION DOLLARS  
18 TOTAL IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE CREATION OF  
19 THE ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO  
20 SECTION 24-77-108.

21 **10-4-2102. Definitions.** AS USED IN THIS PART 21, UNLESS THE  
22 CONTEXT OTHERWISE REQUIRES:

23 (1) "CATASTROPHE BOND" MEANS A HIGH-YIELD DEBT  
24 INSTRUMENT THAT IS ISSUED TO RAISE MONEY IN THE EVENT A NATURAL  
25 DISASTER OCCURS.

26 (2) "ELIGIBLE INSURER" MEANS AN INSURER THAT:

27 (a) OFFERS HOMEOWNER'S INSURANCE ON PROPERTY LOCATED IN

1 THE STATE;

2 (b) INCURS CLAIMS COSTS AS A RESULT OF A STATE OR FEDERALLY  
3 DECLARED WILDFIRE-RELATED DISASTER; AND

4 (c) WRITES POLICIES FOR A PROPORTIONAL SHARE OF RISK IN  
5 AREAS AT HIGHEST RISK OF WILDFIRES IN THE STATE, AS DETERMINED BY  
6 THE COMMISSIONER.

7 (3) "ENTERPRISE" MEANS THE WILDFIRE CATASTROPHE  
8 REINSURANCE ENTERPRISE CREATED IN SECTION 10-4-2103 (1).

9 (4) "ENTERPRISE BOARD" OR "BOARD" MEANS THE GOVERNING  
10 BOARD OF THE ENTERPRISE CREATED IN SECTION 10-4-2103 (2).

11 (5) "FUND" MEANS THE WILDFIRE CATASTROPHE REINSURANCE  
12 ENTERPRISE FUND CREATED IN SECTION 10-4-2103 (6).

13 (6) "INSURER FEE" MEANS A FEE IMPOSED BY THE ENTERPRISE  
14 PURSUANT TO SECTION 10-4-2103 (4).

15 (7) "REINSURANCE PAYMENT" MEANS A PAYMENT TO AN ELIGIBLE  
16 INSURER THROUGH THE REINSURANCE PROGRAM.

17 (8) "REINSURANCE PROGRAM" MEANS THE WILDFIRE CATASTROPHE  
18 REINSURANCE PROGRAM CREATED IN SECTION 10-4-2104.

19 (9) "REVENUE BOND" MEANS A BOND, NOTE, OR OTHER SECURITY  
20 EVIDENCING AN OBLIGATION AND ISSUED BY THE ENTERPRISE PURSUANT  
21 TO SECTION 10-4-2103.

22 **10-4-2103. Wildfire catastrophe reinsurance enterprise -**  
23 **creation - purpose - board - powers and duties - insurer fee - advisory**  
24 **committee - fund - gifts, grants, or donations - utility purchasers of**  
25 **bonds - rules - reporting - repeal. (1) Enterprise - creation - purpose.**

26 (a) THE WILDFIRE CATASTROPHE REINSURANCE ENTERPRISE IS CREATED  
27 IN THE DIVISION. THE ENTERPRISE IS A **TYPE 1** ENTITY, AS DEFINED IN

1 SECTION 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES  
2 AND FUNCTIONS UNDER THE DIVISION. THE ENTERPRISE IS AND OPERATES  
3 AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DIVISION.

4 (b) THE BUSINESS PURPOSE OF THE ENTERPRISE IS TO:

5 (I) PROVIDE STABILITY IN THE HOMEOWNER'S INSURANCE MARKET  
6 BY IMPLEMENTING AND ADMINISTERING THE REINSURANCE PROGRAM FOR  
7 THE BENEFIT OF INSURERS TO COVER A PORTION OF INSURER LOSSES  
8 RESULTING FROM A STATE OR FEDERALLY DECLARED WILDFIRE-RELATED  
9 DISASTER;

10 (II) PROVIDE MONEY FOR THE REINSURANCE PROGRAM BY  
11 IMPOSING AND COLLECTING, UNDER CERTAIN CIRCUMSTANCES, AN  
12 INSURER FEE ON INSURERS OFFERING HOMEOWNER'S INSURANCE ON  
13 PROPERTY LOCATED IN THE STATE; SELLING CATASTROPHE BONDS AND  
14 REVENUE BONDS; AND INVESTING THE REVENUE FROM THE FEES AND  
15 BONDS TO PROVIDE MONEY FOR THE REINSURANCE;

16 (III) INCENTIVIZE THE OFFER OF HOMEOWNER'S INSURANCE  
17 COVERAGE FOR PROPERTY THROUGHOUT THE STATE, WHICH IS EXPECTED  
18 TO INCREASE COMPETITION AMONG INSURERS AND MAKE INSURANCE MORE  
19 AFFORDABLE TO PURCHASE, RESULTING IN A REDUCTION IN THE  
20 CONCENTRATION OF RISK TO INSURERS IN AREAS OF THE STATE AT HIGHEST  
21 RISK OF INSURER LOSSES DUE TO WILDFIRES; AND

22 (IV) ENHANCE INSURERS' CUSTOMER RETENTION BY ADDRESSING  
23 CHALLENGES TO THE AFFORDABILITY AND AVAILABILITY OF HOUSING IN  
24 THE STATE AND REDUCE THE OVERALL RISK FOR INSURERS OFFERING  
25 HOMEOWNER'S INSURANCE.

26 (c) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES  
27 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT

1       RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS  
2       THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL  
3       COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT  
4       CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (1), THE  
5       ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE  
6       CONSTITUTION.

7               **(2) Enterprise board.** (a) THE ENTERPRISE IS GOVERNED BY THE  
8       ENTERPRISE BOARD.

9               (b) THE BOARD CONSISTS OF THE FOLLOWING THREE VOTING  
10       MEMBERS:

11              (I) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE; AND

12              (II) TWO MEMBERS APPOINTED BY THE GOVERNOR TO SERVE  
13       THREE-YEAR TERMS, INCLUDING:

14              (A) ONE MEMBER WHO IS AN INSURER WITH EXPERTISE IN  
15       UNDERWRITING AND PRICING HOMEOWNER'S INSURANCE; AND

16              (B) ONE MEMBER WHO IS A CONSUMER WITH FINANCIAL  
17       EXPERTISE.

18              (c) OF THE FIRST MEMBERS APPOINTED TO THE BOARD PURSUANT  
19       TO SUBSECTION (2)(b)(II) OF THIS SECTION, ONE MEMBER SHALL SERVE AN  
20       INITIAL TERM OF TWO YEARS.

21              (d) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE IS THE  
22       CHAIR OF THE BOARD.

23              (e) (I) THE GOVERNOR SHALL MAKE INITIAL APPOINTMENTS TO THE  
24       BOARD NO LATER THAN JANUARY 1, 2026.

25              (II) THIS SUBSECTION (2)(e) IS REPEALED, EFFECTIVE JULY 1, 2027.

26              (f) MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION BUT  
27       MUST BE REIMBURSED FROM MONEY IN THE FUND FOR ACTUAL AND

1 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES  
2 PURSUANT TO THIS PART 21.

3 (g) THE BOARD SHALL CONDUCT THE ENTERPRISE'S BUSINESS AS  
4 REQUIRED BY STATE LAW, INCLUDING IN COMPLIANCE WITH THE OPEN  
5 MEETING REQUIREMENTS OF PART 4 OF ARTICLE 6 OF TITLE 24 AND THE  
6 OPEN RECORD REQUIREMENTS OF ARTICLE 72 OF TITLE 24.

7 (3) **Powers and duties.** (a) AS DETERMINED BY THE BOARD, THE  
8 ENTERPRISE SHALL ENGAGE IN ACTIVITIES THAT:

9 (I) SEEK TO ADDRESS THE AFFORDABILITY CHALLENGES FACED BY  
10 COLORADANS IN PURCHASING HOMEOWNER'S INSURANCE;

11 (II) ENHANCE COMPETITION IN THE HOMEOWNER'S INSURANCE  
12 MARKET THROUGHOUT THE STATE;

13 (III) INCENTIVIZE INSURERS TO OFFER HOMEOWNER'S INSURANCE  
14 COVERAGE IN AREAS OF THE STATE AT HIGH RISK FOR DAMAGE OR LOSS  
15 DUE TO WILDFIRES;

16 (IV) ENSURE INSURERS ARE OFFERING COVERAGE THROUGHOUT  
17 THE STATE; AND

18 (V) ENSURE INSURERS ARE PROPERLY ADMINISTERING CLAIMS  
19 ASSOCIATED WITH STATE OR FEDERALLY DECLARED WILDFIRE-RELATED  
20 DISASTERS FOR WHICH THE ENTERPRISE MAKES REINSURANCE PAYMENTS  
21 PURSUANT TO SECTION 10-4-2104.

22 (b) IN FURTHERANCE OF ITS BUSINESS PURPOSE, THE ENTERPRISE'S  
23 PRIMARY POWERS AND DUTIES ARE TO:

24 (I) ISSUE CATASTROPHE BONDS FOR THE EXPENSES OF THE  
25 ENTERPRISE, SECURED BY THE REVENUE OF THE ENTERPRISE;

26 (II) ISSUE REVENUE BONDS FOR THE EXPENSES OF THE ENTERPRISE,  
27 SECURED BY REVENUE OF THE ENTERPRISE;

1 (III) IMPOSE AND COLLECT THE INSURER FEE, AS APPLICABLE, ON  
2 HOMEOWNER'S INSURANCE INSURERS PURSUANT TO SUBSECTION (4) OF  
3 THIS SECTION AND TO REQUIRE REPORTING FROM INSURERS;

4 (IV) INVEST THE REVENUE FROM THE ISSUANCE OF CATASTROPHE  
5 AND REVENUE BONDS AND THE INSURER FEE;

6 (V) PURCHASE REINSURANCE FROM THE PRIVATE MARKET;

7 (VI) MAKE REINSURANCE PAYMENTS TO ELIGIBLE INSURERS IN  
8 ACCORDANCE WITH SECTION 10-4-2104;

9 (VII) PAY THE ADMINISTRATIVE EXPENSES OF THE ENTERPRISE;

10 (VIII) ADOPT, AMEND, OR REPEAL RULES OR POLICIES FOR THE  
11 REGULATION OF THE ENTERPRISE'S AFFAIRS AND THE CONDUCT OF THE  
12 ENTERPRISE'S BUSINESS CONSISTENT WITH THIS PART 21;

13 (IX) (A) CONTRACT WITH ANY PUBLIC OR PRIVATE ENTITY,  
14 INCLUDING STATE AGENCIES, CONSULTANTS, AND THE ATTORNEY  
15 GENERAL'S OFFICE, FOR PROFESSIONAL AND TECHNICAL ASSISTANCE,  
16 OFFICE SPACE AND ADMINISTRATIVE SERVICES, ADVICE, AND OTHER  
17 SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE.

18 (B) THE ENTERPRISE SHALL PAY A FAIR MARKET RATE TO ANY  
19 PUBLIC ENTITY, PRIVATE ENTITY, CONTRACTOR, OR CONSULTANT, WHICH  
20 MAY INCLUDE A STATE AGENCY, THE ATTORNEY GENERAL'S OFFICE, THE  
21 DIVISION, OR THE DEPARTMENT, THAT IS HIRED BY THE ENTERPRISE,  
22 WITHOUT REGARD TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112  
23 OF TITLE 24, TO PERFORM DUTIES PURSUANT TO THIS SUBSECTION (3).

24 (X) PREPARE AND SUBMIT AN ANNUAL FINANCIAL REPORT  
25 PURSUANT TO SUBSECTION (9) OF THIS SECTION CONCERNING THE  
26 ADMINISTRATION OF THE ENTERPRISE AND THE REINSURANCE PROGRAM  
27 AND POST THE REPORT ON THE ENTERPRISE'S PUBLIC-FACING WEBSITE.

1           (c) THE ENTERPRISE MAY SEEK, ACCEPT, AND EXPEND GRANTS OR  
2 OTHER MONEY FROM THE FEDERAL GOVERNMENT AND GIFTS, GRANTS, OR  
3 DONATIONS FROM OTHER PUBLIC AND PRIVATE SOURCES TO SUPPORT AND  
4 ENHANCE ENTERPRISE ACTIVITIES; EXCEPT THAT THE ENTERPRISE SHALL  
5 NOT ACCEPT GRANTS FROM THE STATE OR FROM LOCAL GOVERNMENTS  
6 UNLESS THE COMBINED TOTAL OF ALL GRANTS FROM SUCH SOURCES IS  
7 UNDER TEN PERCENT OF THE ENTERPRISE'S ANNUAL REVENUE.

8           (4) **Insurer fee - rules.** (a) THE ENTERPRISE MAY IMPOSE AND  
9 COLLECT AN INSURER FEE PURSUANT TO SUBSECTION (4)(b) OF THIS  
10 SECTION ON INSURERS THAT OFFER HOMEOWNER'S INSURANCE ON  
11 PROPERTY LOCATED IN THE STATE.

12           (b) IN THE EVENT THE ENTERPRISE HAS INSUFFICIENT MONEY IN  
13 THE FUND TO REMIT THE PRINCIPAL AMOUNT OF A CATASTROPHE OR  
14 REVENUE BOND TO THE BONDHOLDER AT THE BOND'S MATURITY, THE  
15 ENTERPRISE MAY IMPOSE AND COLLECT AN INSURER FEE, AS DETERMINED  
16 BY THE BOARD, ON INSURERS THAT OFFER HOMEOWNER'S INSURANCE ON  
17 PROPERTY LOCATED IN THE STATE IN ORDER TO RAISE THE AMOUNT OWED  
18 TO THE BONDHOLDER.

19           (c) THE ENTERPRISE SHALL ADOPT RULES RELATING TO THE  
20 ASSESSMENT AND COLLECTION OF THE INSURER FEE.

21           (5) **Advisory committee.** THE BOARD MAY ESTABLISH AN  
22 ADVISORY COMMITTEE CONSISTING OF UP TO FIVE INDIVIDUALS WITH  
23 EXPERTISE IN FINANCING AND BONDING MECHANISMS AND INVESTMENTS  
24 TO ADVISE THE BOARD ON ITS ISSUANCE AND MANAGEMENT OF  
25 CATASTROPHE BONDS AND REVENUE BONDS AND THE FINANCING OF THE  
26 ENTERPRISE AND REINSURANCE PROGRAM.

27           (6) **Fund.** (a) THE WILDFIRE CATASTROPHE REINSURANCE

1 ENTERPRISE FUND IS CREATED IN THE STATE TREASURY.

2 (b) THE FUND CONSISTS OF:

3 (I) THE INSURER FEE IMPOSED ON HOMEOWNER'S INSURANCE  
4 INSURERS PURSUANT TO SUBSECTION (4) OF THIS SECTION;

5 (II) REVENUE FROM CATASTROPHE BONDS AND REVENUE BONDS  
6 ISSUED BY THE ENTERPRISE;

7 (III) MONEY FROM INVESTMENTS OF FEES COLLECTED AND  
8 CATASTROPHE AND REVENUE BOND PURCHASE PAYMENTS;

9 (IV) GRANTS OR OTHER MONEY RECEIVED FROM THE FEDERAL  
10 GOVERNMENT OR GIFTS, GRANTS, OR DONATIONS RECEIVED FROM OTHER  
11 PUBLIC OR PRIVATE SOURCES TO SUPPORT AND ENHANCE ENTERPRISE  
12 ACTIVITIES; AND

13 (V) ANY MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE  
14 OR TRANSFER TO THE FUND.

15 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
16 ENTERPRISE FOR THE ADMINISTRATION AND IMPLEMENTATION OF THIS  
17 PART 21, INCLUDING FOR REINSURANCE PAYMENTS MADE UNDER THE  
18 REINSURANCE PROGRAM AND OTHER ALLOWABLE PURPOSES UNDER THIS  
19 PART 21.

20 (d) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
21 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
22 FUND TO THE FUND.

23 (e) THE ENTERPRISE SHALL CREDIT THE INSURER FEE COLLECTED  
24 TO THE FUND. A FEE COLLECTED BY THE ENTERPRISE IS EXCLUDED FROM  
25 THE STATE'S FISCAL YEAR SPENDING.

26 (f) THE ENTERPRISE MAY ADJUST THE INSURER FEE OR CEASE  
27 COLLECTING THE FEE IN ANY CALENDAR YEAR TO ENSURE THAT THE TOTAL



1 AMOUNT OF FEE REVENUE DOES NOT EXCEED ONE HUNDRED MILLION  
2 DOLLARS OVER THE FIRST FIVE FISCAL YEARS OF THE ENTERPRISE'S  
3 EXISTENCE.

4 (7) **Utility purchasers of bonds.** (a) A UTILITY THAT PURCHASES  
5 BONDS SHALL NOT RECOVER THE COST OF THE PURCHASE OF THE BONDS  
6 FROM RATES CHARGED TO THE UTILITY'S CUSTOMERS.

7 (b) IN THE EVENT THAT A STATE OR FEDERALLY DECLARED  
8 WILDFIRE-RELATED DISASTER OCCURS, AN INSURER SHALL NOT HOLD A  
9 UTILITY BONDHOLDER LIABLE FOR ANY AMOUNTS PAID BY THE ENTERPRISE  
10 TO AN INSURER FOR DAMAGE OR LOSS ARISING FROM THE STATE OR  
11 FEDERALLY DECLARED WILDFIRE-RELATED DISASTER.

12 (8) **Rules.** THE ENTERPRISE BOARD SHALL ADOPT RULES THAT ARE  
13 REASONABLE AND NECESSARY FOR THE IMPLEMENTATION AND  
14 ADMINISTRATION OF THE ENTERPRISE, INCLUDING RULES RELATING TO THE  
15 INSURER FEE, THE ISSUANCE OF CATASTROPHE AND REVENUE BONDS, AND  
16 REINSURANCE PAYMENTS MADE PURSUANT TO THE REINSURANCE  
17 PROGRAM.

18 (9) **Reporting.** (a) NOTWITHSTANDING SECTION 24-1-136  
19 (11)(a)(I), BEGINNING JULY 1, 2027, AND EACH JULY 1 THEREAFTER, THE  
20 ENTERPRISE SHALL SUBMIT A REPORT TO THE COMMITTEES OF REFERENCE  
21 OF THE GENERAL ASSEMBLY TO WHICH THE DEPARTMENT IS ASSIGNED  
22 PURSUANT TO SECTION 2-7-203 CONCERNING THE ADMINISTRATION AND  
23 IMPLEMENTATION OF THE ENTERPRISE AND THE REINSURANCE PROGRAM.

24 (b) THE ANNUAL REPORT MUST INCLUDE:

25 (I) THE AMOUNT COLLECTED THROUGH THE ISSUANCE OF  
26 CATASTROPHE AND REVENUE BONDS AND THROUGH THE IMPOSITION OF  
27 THE INSURER FEE, IF IMPOSED, MONEY EARNED THROUGH INVESTMENTS,

1 AND THE UNOBLIGATED BALANCE OF THE FUND;

2 (II) THE EFFECT OF THE ENTERPRISE ON THE AVAILABILITY AND  
3 AFFORDABILITY OF HOMEOWNER'S INSURANCE IN THE STATE; AND

4 (III) ANY OTHER INFORMATION RELEVANT TO THE SUCCESS OF THE  
5 ENTERPRISE AND THE REINSURANCE PROGRAM.

6 **10-4-2104. Reinsurance program - creation - operation -  
7 payment parameters - calculation of reinsurance payments - eligible**

8 **insurer requests - rules - definition.** (1) THERE IS CREATED IN THE  
9 ENTERPRISE THE WILDFIRE CATASTROPHE REINSURANCE PROGRAM TO  
10 PROVIDE REINSURANCE PAYMENTS TO ELIGIBLE INSURERS. THE  
11 OBJECTIVES OF THE REINSURANCE PROGRAM ARE TO:

12 (a) ADDRESS THE CHALLENGES FACED BY COLORADANS IN  
13 AFFORDING HOMEOWNER'S INSURANCE;

14 (b) ENHANCE COMPETITION IN THE HOMEOWNER'S INSURANCE  
15 MARKET THROUGHOUT THE STATE;

16 (c) INCENTIVIZE INSURERS TO OFFER HOMEOWNER'S INSURANCE  
17 COVERAGE IN AREAS OF THE STATE AT HIGH RISK FOR DAMAGE OR LOSS  
18 DUE TO WILDFIRES;

19 (d) ENSURE INSURERS ARE OFFERING COVERAGE THROUGHOUT THE  
20 STATE; AND

21 (e) ENSURE INSURERS ARE PROPERLY ADMINISTERING CLAIMS  
22 ASSOCIATED WITH STATE OR FEDERALLY DECLARED WILDFIRE-RELATED  
23 DISASTERS FOR WHICH THE ENTERPRISE MAKES REINSURANCE PAYMENTS  
24 UNDER THIS SECTION.

25 (2) TO FURTHER THE BUSINESS PURPOSE OF THE ENTERPRISE, THE  
26 ENTERPRISE BOARD IS AUTHORIZED TO:

27 (a) TAKE REASONABLE ACTIONS AUTHORIZED PURSUANT TO THIS

1 SECTION TO RAISE MONEY FOR THE IMPLEMENTATION AND  
2 ADMINISTRATION OF THE REINSURANCE PROGRAM TO ACHIEVE THE  
3 PURPOSE AND OBJECTIVES SPECIFIED IN SUBSECTION (1) OF THIS SECTION;

4 (b) ENTER INTO CONTRACTS TO CARRY OUT THE PROVISIONS AND  
5 PURPOSES OF THE REINSURANCE PROGRAM;

6 (c) ESTABLISH ADMINISTRATIVE AND ACCOUNTING PROCEDURES  
7 FOR THE OPERATION OF THE REINSURANCE PROGRAM;

8 (d) ESTABLISH PROCEDURES AND STANDARDS FOR ELIGIBLE  
9 INSURERS TO SUBMIT CLAIMS TO THE REINSURANCE PROGRAM;

10 (e) ESTABLISH OR ADJUST, BY RULE, THE ELIGIBILITY  
11 REQUIREMENTS AND PAYMENT PARAMETERS IN ACCORDANCE WITH  
12 SUBSECTION (3) OF THIS SECTION;

13 (f) TAKE LEGAL ACTION AS NECESSARY TO AVOID THE PAYMENT  
14 OF IMPROPER CLAIMS TO INSURERS; AND

15 (g) SUBJECT TO SECTION 10-4-2103 (1)(c), APPLY FOR, ACCEPT,  
16 AND ADMINISTER ANY FEDERAL OR STATE MONEY THAT MAY BECOME  
17 AVAILABLE TO THE ENTERPRISE RELATING TO A STATE OR FEDERALLY  
18 DECLARED WILDFIRE-RELATED DISASTER.

19 (3) FOR PURPOSES OF DETERMINING INSURER ELIGIBILITY FOR  
20 REINSURANCE PAYMENTS UNDER THE REINSURANCE PROGRAM, THE BOARD  
21 BY RULE SHALL:

22 (a) SET THE ELIGIBILITY REQUIREMENTS AND PAYMENT  
23 PARAMETERS FOR THE REINSURANCE PROGRAM TO ACHIEVE REDUCTIONS  
24 IN CLAIMS COSTS IN GEOGRAPHIC RATING AREAS IN THE STATE;

25 (b) DETERMINE DATA REQUIREMENTS FOR REINSURANCE  
26 PAYMENTS MADE UNDER THE REINSURANCE PROGRAM AND COLLECT OR  
27 ACCESS DATA FROM EACH ELIGIBLE INSURER;

1 (c) UPON THE OCCURRENCE OF A STATE OR FEDERALLY DECLARED  
2 WILDFIRE-RELATED DISASTER, REQUIRE EACH ELIGIBLE INSURER TO  
3 REPORT TO THE ENTERPRISE ITS CLAIMS COSTS AS A RESULT OF THE  
4 WILDFIRE-RELATED DISASTER; AND

5 (d) IN EXCHANGE FOR ACCESS TO THE REINSURANCE PROGRAM TO  
6 MITIGATE AN INSURER'S RISK, REQUIRE AN ELIGIBLE INSURER TO:

7 (I) PROVIDE INSURANCE COVERAGE BASED UPON THE ELIGIBLE  
8 INSURER'S PERCENTAGE OF MARKET SHARE IN THE STATE TO AREAS  
9 THROUGHOUT THE STATE AT HIGHEST RISK FOR WILDFIRES; AND

10 (II) REDUCE PREMIUMS IN AREAS IN THE STATE AT HIGH RISK FOR  
11 WILDFIRES TO ACCOUNT FOR REINSURANCE PAYMENTS THAT WOULD BE  
12 PROVIDED THROUGH THE REINSURANCE PROGRAM.

13 (4) (a) IN RESPONSE TO A STATE OR FEDERALLY DECLARED  
14 WILDFIRE-RELATED DISASTER, THE ENTERPRISE BOARD SHALL CALCULATE  
15 EACH REINSURANCE PAYMENT BASED ON AN ELIGIBLE INSURER'S  
16 INCURRED CLAIMS COSTS FOR THE STATE OR FEDERALLY DECLARED  
17 WILDFIRE-RELATED DISASTER.

18 (b) AN ELIGIBLE INSURER MUST MAKE REQUESTS FOR  
19 REINSURANCE PAYMENTS IN ACCORDANCE WITH REQUIREMENTS  
20 ESTABLISHED BY THE BOARD BY RULE AND COMPLY WITH INSURER DATA  
21 REQUIREMENTS.

22 (5) (a) THE BOARD SHALL NOTIFY ELIGIBLE INSURERS OF  
23 REINSURANCE PAYMENTS TO BE MADE IN ACCORDANCE WITH SUBSECTION  
24 (4) OF THIS SECTION AND SHALL DISBURSE REINSURANCE PAYMENTS TO AN  
25 ELIGIBLE INSURER.

26 (b) AN ELIGIBLE INSURER MAY REQUEST THAT THE BOARD  
27 RECONSIDER A DECISION ON THE INSURER'S REQUEST FOR REINSURANCE

1 PAYMENTS WITHIN THIRTY DAYS AFTER NOTICE OF THE COMMISSIONER'S  
2 DECISION. A FINAL ACTION OF THE BOARD UNDER THIS SUBSECTION (5) IS  
3 SUBJECT TO JUDICIAL REVIEW IN ACCORDANCE WITH SECTION 24-4-106.

4 (6) IF THERE IS INSUFFICIENT MONEY IN THE FUND TO COVER  
5 INSURERS' TOTAL LOSSES FROM A STATE OR FEDERALLY DECLARED  
6 WILDFIRE-RELATED DISASTER, THE BOARD SHALL ESTABLISH PROCEDURES  
7 TO PAY INSURERS ON A PRO RATA BASIS BASED ON THE AMOUNT OF  
8 AVAILABLE MONEY IN THE FUND.

9 **10-4-2105. Repeal of part - subject to review.** THIS PART 21 IS  
10 REPEALED, EFFECTIVE SEPTEMBER 1, 2035. BEFORE THE REPEAL, THE  
11 ENTERPRISE AND REINSURANCE PROGRAM ARE SCHEDULED FOR REVIEW IN  
12 ACCORDANCE WITH SECTION 24-34-104.

13 **SECTION 2.** In Colorado Revised Statutes, 24-34-104, **add**  
14 (36)(a)(VII) and (36)(a)(VIII) as follows:

15 **24-34-104. General assembly review of regulatory agencies**  
16 **and functions for repeal, continuation, or reestablishment - legislative**  
17 **declaration - repeal.** (36) (a) The following agencies, functions, or both  
18 are scheduled for repeal on September 1, 2035:

19 (VII) THE STRENGTHEN COLORADO HOMES ENTERPRISE AND THE  
20 STRENGTHEN COLORADO HOMES ENTERPRISE GRANT PROGRAM CREATED  
21 IN PART 20 OF ARTICLE 4 OF TITLE 10;

22 (VIII) THE WILDFIRE CATASTROPHE REINSURANCE ENTERPRISE  
23 AND THE WILDFIRE CATASTROPHE REINSURANCE PROGRAM CREATED IN  
24 PART 21 OF ARTICLE 4 OF TITLE 10.

25 **SECTION 3.** In Colorado Revised Statutes, 10-4-403, **add** (2.3)  
26 as follows:

27 **10-4-403. Standards for rates - competition - procedure -**

1 **requirement for independent actuarial opinions regarding 1991**  
2 **legislation - rules - definition.** (2.3) (a) IN ADDITION TO THE RATE  
3 STANDARDS SET FORTH IN SUBSECTION (1) OF THIS SECTION, RATES FOR  
4 HOMEOWNER'S INSURANCE ARE PRESUMED EXCESSIVE IF THE LOSS RATIO  
5 IS LESS THAN SEVENTY-FIVE PERCENT OVER A THREE-YEAR PERIOD.

6 (b) THE COMMISSIONER BY RULE SHALL ESTABLISH A PROCESS FOR  
7 CALCULATING THE LOSS RATIO. INSURERS THAT HAVE RATES IN EXCESS OF  
8 THE LOSS RATIO SHALL FILE AN ACTUARIALLY JUSTIFIED AND REASONABLE  
9 RATE DECREASE OF AT LEAST FIVE PERCENT AS COMPARED TO THE  
10 PREVIOUS YEAR.

11 (c) AS USED IN THIS SUBSECTION (2.3), "LOSS RATIO" MEANS, WITH  
12 RESPECT TO HOMEOWNER'S INSURANCE, THE RATIO OF EXPECTED POLICY  
13 BENEFITS PAID BY THE INSURER OVER THE ENTIRE FUTURE PERIOD FOR  
14 WHICH THE PROPOSED RATES ARE EXPECTED TO PROVIDE COVERAGE TO  
15 THE SUM OF THE EXPECTED EARNINGS FROM PREMIUMS PAID TO THE  
16 INSURER OVER THE SAME PERIOD.

17 **SECTION 4.** In Colorado Revised Statutes, 10-4-405, **add** (1.3)  
18 as follows:

19 **10-4-405. Filing of rating information - certain coverages.**  
20 (1.3) BEGINNING WITH RATE FILINGS SUBMITTED ON AND AFTER JANUARY  
21 1, 2026, AN INSURER OFFERING HOMEOWNER'S INSURANCE FOR PROPERTY  
22 LOCATED IN THE STATE SHALL INCLUDE IN ITS FILING THE FOLLOWING TWO  
23 SETS OF RATES:

24 (a) ONE SET OF RATES THAT SHOWS THE RATES AFTER TAKING INTO  
25 CONSIDERATION THE REINSURANCE PROGRAM CREATED IN SECTION  
26 10-4-2104; AND

27 (b) ONE SET OF RATES THAT SHOWS THE RATES AS IF THE

1 REINSURANCE PROGRAM CREATED IN SECTION 10-4-2104 HAD NOT TAKEN  
2 EFFECT.

3           **SECTION 5. Act subject to petition - effective date.** This act  
4 takes effect at 12:01 a.m. on the day following the expiration of the  
5 ninety-day period after final adjournment of the general assembly; except  
6 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
7 of the state constitution against this act or an item, section, or part of this  
8 act within such period, then the act, item, section, or part will not take  
9 effect unless approved by the people at the general election to be held in  
10 November 2026 and, in such case, will take effect on the date of the  
11 official declaration of the vote thereon by the governor.