



**COLORADO**

Department of  
Regulatory Agencies

Division of Insurance

## **DRAFT Proposed New Bulletin No. B-5.XX**

### **Guidance for Insurers Regarding Annual Written Notice to Policyholders on Risk Scores and Mitigation Discounts**

#### **I. Background and Purpose**

The purpose of this bulletin is to provide guidance to all property insurers, including the FAIR Plan, required to provide applicants upon application and policyholders annually, a plain language notice required by § 10-4-124, C.R.S. that discloses their property's wildfire risk score or classification, the insurer's wildfire risk score range, any available mitigation discounts, and appeal rights.

Bulletins are the Division of Insurance's (Division) interpretations of existing insurance law or general statements of Division policy. Bulletins themselves establish neither binding norms nor finally determine issues or rights.

#### **II. Applicability and Scope**

This Bulletin is intended for property insurers, including the FAIR Plan, that offer property insurance policies subject to § 10-4-124, C.R.S.

#### **III. Division Position**

All insurers offering property insurance policies must provide an annual written notice to policyholders and applicants, upon application, on property wildfire risk scores and mitigation discounts, and any other wildfire risk classification the insurer uses to underwrite or price a residential insurance policy.

Insurers may use the notification form in Attachment A. Insurers may deviate from Attachment A as long as all notices include the minimum requirements in § 10-4-124(6)(a)(b), C.R.S.

#### **IV. Additional Resources**

Colorado Division of Insurance  
Property, Casualty & Title Consumer Services  
1560 Broadway, Suite 850  
Denver, CO 80202  
303-894-7499  
[doi.colorado.gov](http://doi.colorado.gov)

#### **V. History**

Issued Month, Day, Year

## Attachment A

### Annual Written Notice on Wildfire Risk Scores and Mitigation Discounts

Under Colorado law, insurance companies that use risk scoring, or provide wildfire property specific or community level mitigation discounts, must provide policyholders an annual written notice regarding how they are applied to the policyholder's or applicant's property.

- Different insurers use different scoring systems, so scores may vary.
- Some insurers build mitigation into their pricing instead of offering discounts.
- Effectiveness and discounts may require a combination of mitigation measures.
- Scores are also based on broader risks outside of your control.
- If a discount is offered for wildfire mitigation, it may only apply to the portion of your premium specifically calculated for wildfire risk and not your total premium.

If you don't agree with the information we currently have for your property, you have the right to appeal. Approved appeals will be recognized in the premium calculation of your renewal offer and also in the reconsideration of eligibility for renewal.

- Appeals must be acknowledged within 10 days and responded to within 30 days
- How to appeal: Submit online at [insert website here] or mail to [address] with photographs, invoices, certifications, or other evidence of mitigation actions.
- Final date for appeal: [insert date]
- [Insurer specific language on how a policyholder can submit a request]

### Policy Information

Field	Information
Property Address	
Assigned Score/Classification	
Range of Possible Scores/Classifications	
Primary Factors Impacting Your Score/Classification	

### Property Specific Mitigation Action

Mitigation Action	Discount Amount (% , \$)	Impact on Risk Score
Noncombustible zone 5 ft or more		
Defensible Space 5 ft - 30 ft, including detached structures		
Class A fire rated roof		
Noncombustible gutters and downspouts, cleared of debris		

Ember resistant vents and eaves		
Ember resistant decks, underdecks, and attached structures		
6" vertical noncombustible clearance on base of exterior walls		
Combination of mitigation factors		
Verification/Certification from a science based mitigation program (identify program(s) used)		

(Add rows as needed)

### Community Level Actions

Community Action	Discount Amount (% , \$)	Impact on Risk Score
Science based mitigation action as demonstrated by a community or neighborhood level designation/certification (identify program(s) used)		

(add rows as needed)