

Bulletin No. B-5.56

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 including master property insurance policies for multifamily residential housing.

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
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V. History

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Attachment A

Annual Written Notice on Wildfire Risk Scores and Mitigation Discounts

Under Colorado law, insurance companies must provide an annual written notice to policyholders and applicants upon application regarding how property specific and community level mitigation actions are applied to the policyholder's or applicant's property.

If your insurer incorporates mitigation into risk scoring:

- Insurers use risk scoring to estimate how likely your property is to have a loss based on factors like location, building features, and mitigation.
- Different insurers use different scoring systems, so scores may vary.
- Impacts to risk scoring may require a combination of mitigation measures.
- Scores are also based on broader risks that may be outside of your control.

If your insurer provides mitigation discounts:

- Discounts may only apply to the portion of your premium specifically calculated for wildfire risk and not your total premium.
- Discounts may require a combination of mitigation measures to apply.

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 (identify actions)		
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
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Science based mitigation action as demonstrated by a community or neighborhood level designation/certification (identify program(s) used)		
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(add rows as needed)