

SESSION 1:

SKYROCKETING COSTS AND LIMITED AVAILABILITY

Why? What can you do?



Presented by the Genesee Fire & Safety Committee

Both the Zoom presentations and the slides will be posted on the Genesee Foundation website. If you just want to listen, that is fine because the information presented in these webinars will be available to you.

If you have questions, please enter them in the chat. A member of GFSC will be monitoring the chat and your questions will be answered at the end of the presentation.

THE HOME INSURANCE CRISIS IN COLORADO

Session 1 (today)

SkYROCKETING Costs and Limited Availability

Session 2 (March 17)

Are There Holes in Your Insurance Safety Net... Protect Your ASSETS.

Session 3 (March 31)

Preparing for the Future. What is on the Horizon and How Will It Affect You?

RESOURCES FOR MORE INFORMATION

Colorado Division of Insurance Toolkit (<https://doi.colorado.gov/>)

- Glossary of insurance terms
- FAQs, Insurance buying guide

United Policyholders (uphelp.org)

- Based in California, they also have information about Colorado
- Tips on buying and keeping insurance
- Making a claim after wildfire loss or damage

Insurance FAQs (rotaryconifer.org)

Rocky Mountain Insurance Information Association (rmiia.org)

FROM A PRESENTATION BY THE COLORADO INSURANCE COMMISSIONER (2025)

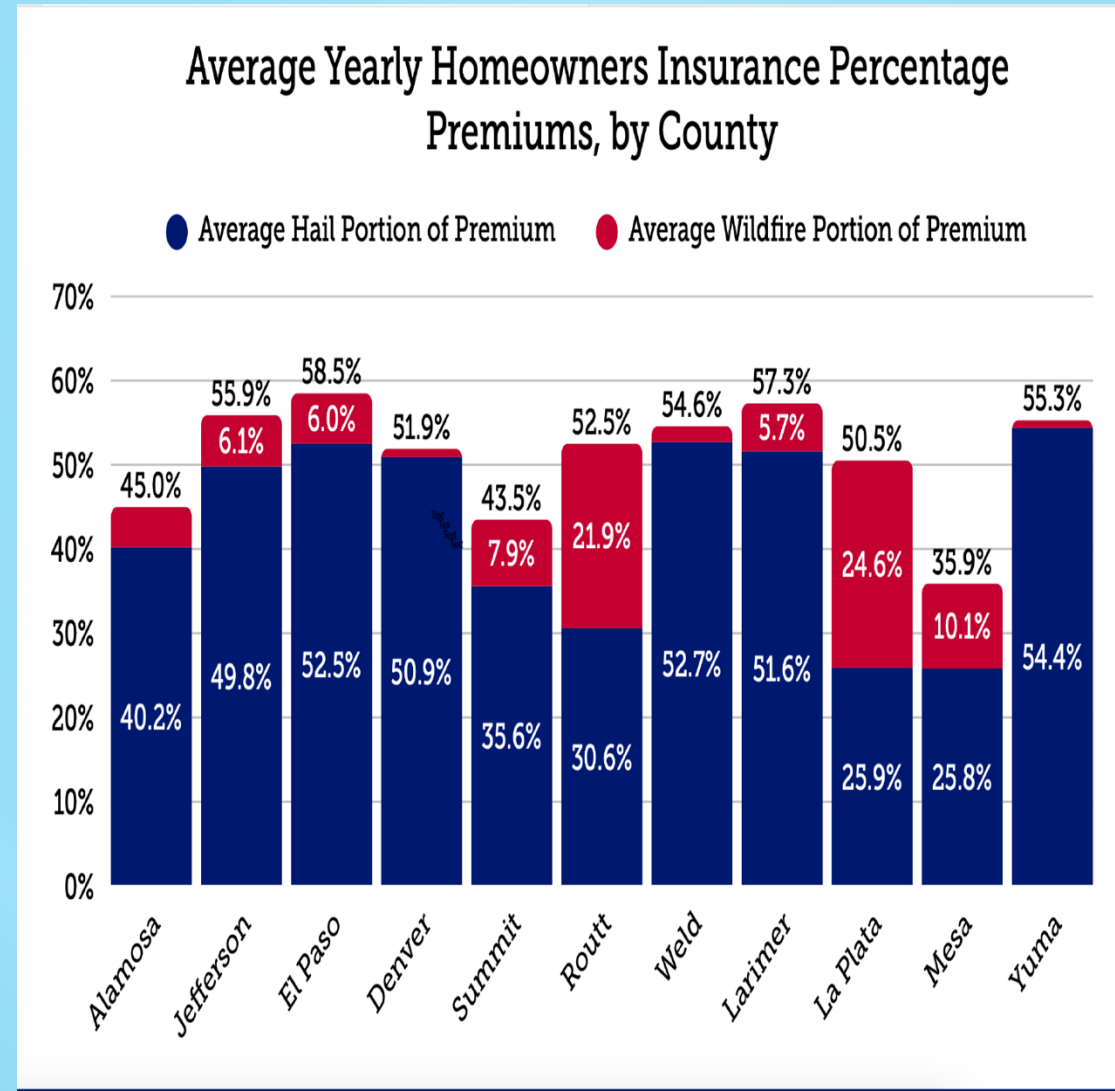
Affordability

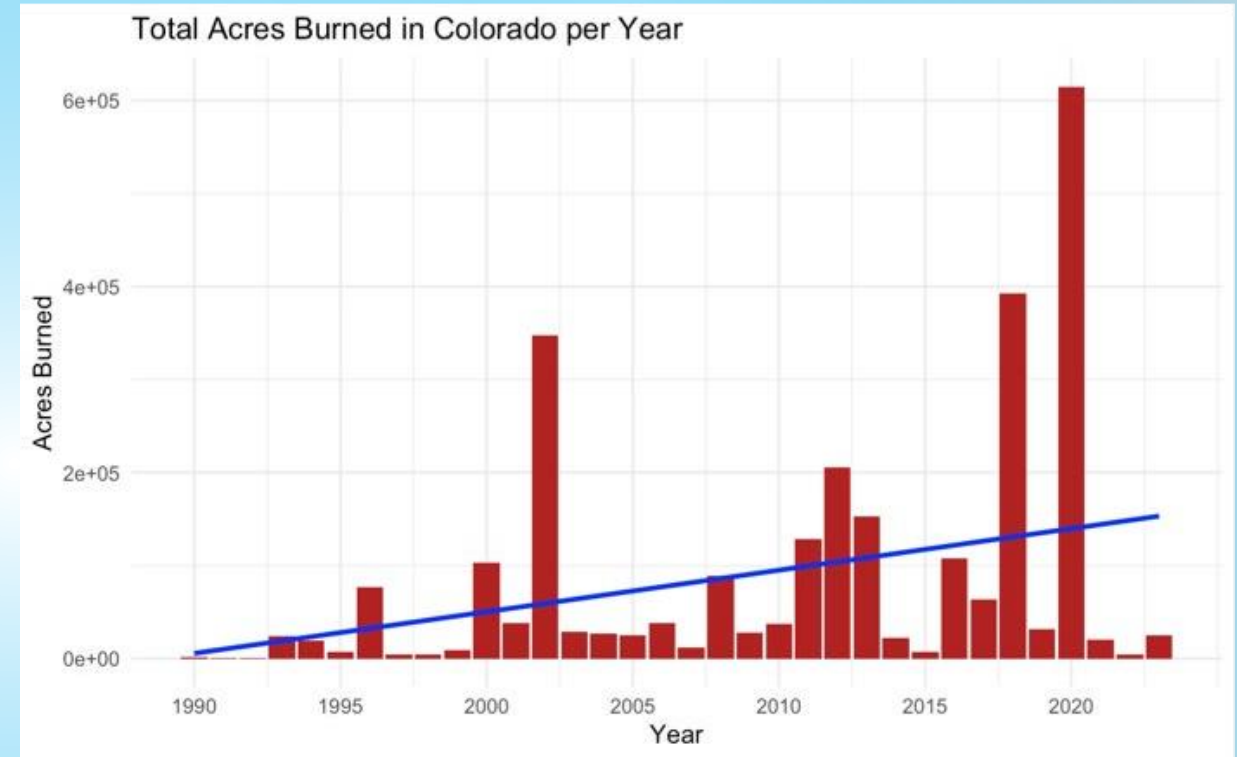
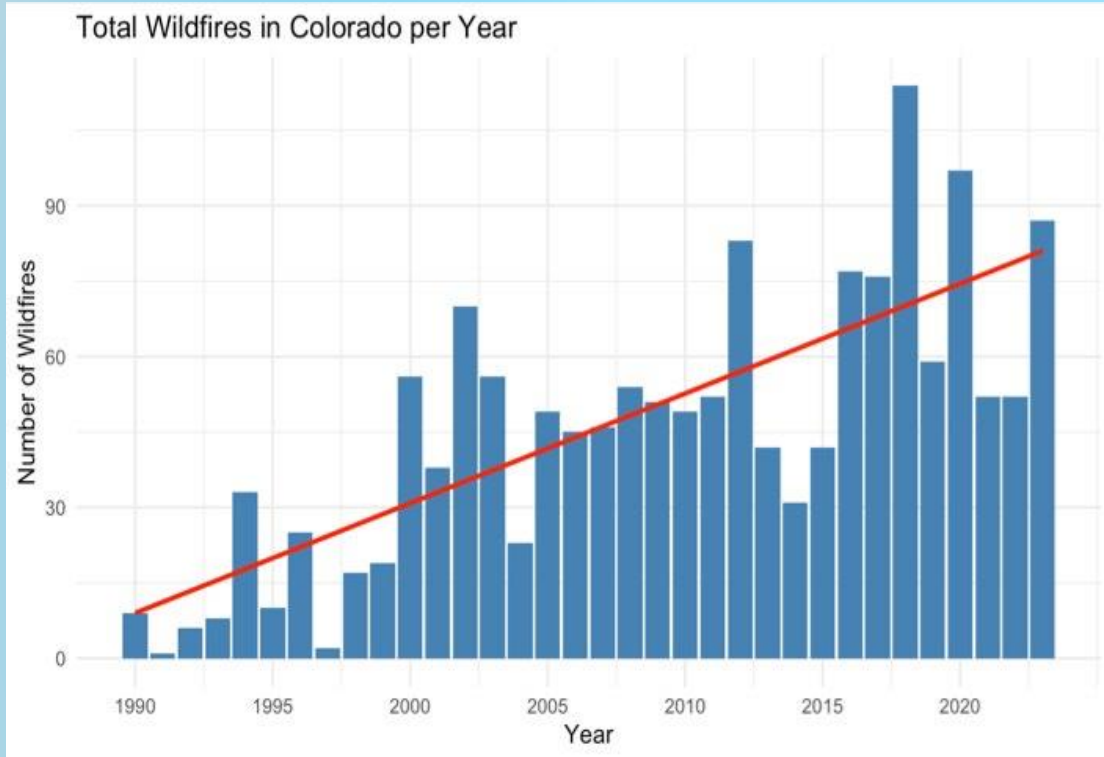
- Colorado rates are 57% higher than national averages
- Homeowners face more out of pocket costs
- Deductibles are increasing
- Reduced coverage options

Availability

- Insurers had underwriting losses 8 out of 11 years
- Non renewals are on the rise

2026 DATA FROM DIVISION OF INSURANCE





In general, wildfires are increasing in severity, frequency, duration, damage and cost

WHY IS THERE A CRISIS?

- Traditional handling of property insurance by insurers isn't designed to deal with rapidly increasing risk that we have been seeing over the past 30 years.
- In Colorado, wildfire risk is main factor affecting the availability of homeowners' insurance; hail is the main factor affecting the cost of insurance
- Insurers are using wildfire risk scores assigned to properties. An insurer may have a cutoff risk score that determines your eligibility for coverage
- Limitations in the availability of reinsurance policies if too many homes in an area are insured by the carrier

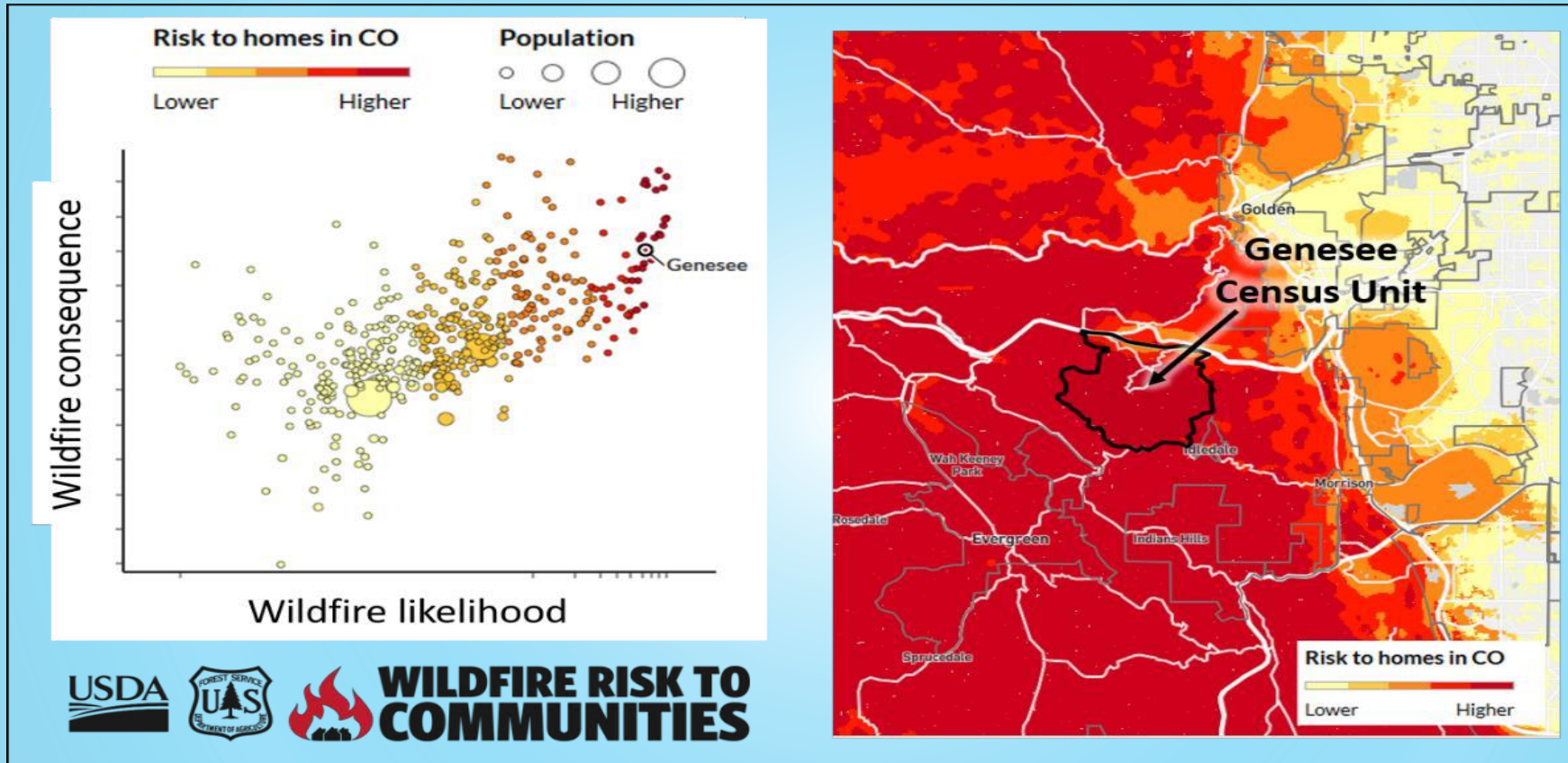
REINSURANCE

In a catastrophic wildfire, an insurer may not be financially able to pay out all the claims. Reinsurance is insurance that insurers buy to protect themselves in the event of catastrophic losses in an area.

When reinsurers won't issue policies to insurers who insure too many high risk homes in an area, the insurer must decrease its portfolio of high risk homes, by

- attrition
- non-renewal of policies
- not writing new policies

WHY IS THIS HAPPENING IN GENESEE?



Genesee has, on average, greater wildfire likelihood (probability of wildfire in any given year) than 97% of communities in Colorado.

THE INSURANCE INDUSTRY GIVES HOMES A WILDFIRE RISK SCORE – OURS ARE LIKELY HIGH!

Most insurers use catastrophe modeling (cat-modeling) to assign risk scores. Different cat-models can produce different risk scores. The insurer might have incorrect information about your house. It may be appropriate to challenge your risk score.

Many insurers have a risk score cut-off that determines whether or not they will insure you. The cut-off they use may change frequently.

Reinsurers may limit the number of homes in an area at high risk of wildfire, which results in an insurer not writing new policies in the area.

WILDFIRE RISK SCORES

HB-25-1182, EFFECTIVE 7/1/2026

Requires transparency in wildfire risk scores

- You can find out your risk score
- You can challenge your risk score
- The risk score must take into account wildfire mitigation – either in the cat-model used to determine the score or by offering premium discounts
- The final rules for implementation are still being written

WHAT TO DO IF YOU GET A NON-RENEWAL NOTICE

Don't panic. You have 60 days to find a new policy.

First, call your insurer and ask why you were non-renewed

- If it was because of your wildfire risk score, be sure the risk score was based on correct information.
- If it was because you live in an area where the insurer's exposure is too great (they insure too many houses), this might change with time.
- Ask an insurer's representative to visit your property and tell you what you can do to retain your insurance.

WHAT YOU CAN DO TO REDUCE THE LIKELIHOOD OF GETTING A NON-RENEWAL NOTICE

- Mitigate and harden your home
- Don't make small claims (Review your **C**omprehensive **L**oss **U**nderwriting **E**xchange, CLUE, report for accuracy)
 - Use the same insurer for all your policies
 - Keep your credit rating high

SHOPPING FOR HOMEOWNERS' INSURANCE

Things to know if you are looking for a lower cost policy

Be sure you are comparing policies that have equivalent coverages –



The next webinar in the series will focus on how to read your policy to be sure it is adequate; it will also provide the basis of comparing policies.

Remember, there is a downside of shopping for a lower cost policy:

- You will lose whatever protection you have for loyalty.
- You are likely to be shopping every year.

TIPS IF YOU ARE SHOPPING FOR INSURANCE

- Use an experienced insurance broker who has access to multiple options. Social media posts often do not reflect the current market.
- Get quotes for various deductible amounts and make an informed decision about what is right for you.
- Consider both admitted and non-admitted (surplus) insurers.
- The Colorado FAIR plan (**F**air **A**ccess to **I**nsurance **R**equirements) is an insurer of last resort (discussed in next webinar).

ADMITTED VS. NON-ADMITTED INSURERS

WHAT IS THE DIFFERENCE?

- **Admitted** These companies follow the rules and regulations established by the Colorado Division of Insurance. Should they fail, some limited relief is provided by Colorado Insurance Guaranty Association. The Division of Insurance will provide help if you file a complaint against an admitted insurer.
- **Non-admitted** companies, also called “surplus lines,” are not regulated by the State. BUT, they are more likely to insure higher value, higher risk properties. Many are offshoots of admitted insurers. A list is available through the CO Division of Insurance. You should do your own research on them.

WARNING!!! WARNING!!!

**DO NOT CANCEL YOUR CURRENT POLICY UNTIL
THE NEW POLICY IS IN FORCE.**

Although you have been accepted by a new insurer, the acceptance may be conditional and must clear an inspection/underwriting process. Per Colorado law, there is a 30 day period during which your offer of a policy can be cancelled due to underwriting issues.

ANOTHER WARNING...BUT NOT IN RED

Insurance Companies ARE Not All the Same

- They will process claims at different speeds
- They will require differing amounts of documentation
- They will “nit-pick” to varying amounts

In our current insurance environment, beware of companies who offer lower premiums, but at a “cost.” **THE DEVIL IS IN THE DETAILS.**

- The coverage may be less
- Making a claim may be more difficult
- Being paid on a claim may involve more negotiation and take longer.

THINGS TO EXPLORE THAT MIGHT DECREASE THE COST OF YOUR INSURANCE

Discounts for:

- Multiple policies with the same insurer
- Length of time with no claims
- Senior discount
- Going paperless
- Loyalty (years with the same insurer)

Changes that decrease your risk

- Alarm system
- Smoke detector
- ****Impact-resistant roof****
- Mitigation/home hardening

A CERTIFIED IMPACT-RESISTANT ROOF WILL REDUCE YOUR PREMIUM

- Recall that in Jefferson County, the risk of hail damage accounts, on average, for almost 50% of your premium.
- Insurers provide discounts for Classes 3- and -4 Impact-rated roofs.
- Check to see whether your roofing material has an impact-rating and be sure your insurer knows you have that rating.

THINGS TO EXPLORE THAT MIGHT DECREASE THE COST OF YOUR INSURANCE (continued)

Increase your deductible on some or all coverages (be sure you can afford to!)

Consider dropping some coverages – e.g., if you won't rebuild after losing your home, some the coverages you pay for may no longer be necessary.

Decide today whether you will rebuild if you lose your home in a wildfire. Covered in next webinar.

KEY TAKE AWAYS FROM TONIGHTS PRESENTATION

We live in a high wildfire-risk community.

Homeowners Insurance issues (availability/cost) will be with us for a while.

There are things you can do to reduce your premium and reduce the risk of getting a non-renewal notice.

If another insurer offers you insurance, remember there is an underwriting process during which the insurer can change its mind.

In comparing policies, be sure the coverages are comparable. **The devil is in the details.**

THERE ARE TWO MORE PRESENTATIONS IN THIS SERIES

Tuesday, March 17 at 7 pm: **Does Your Insurance Safety Net Have Holes (aka Be Sure to Cover Your ASSETS!)**

- How to read your policy (and/or talk to insurance agent)
- Are your coverages adequate to protect your assets and family?
- How a decision whether or not you will rebuild affects your insurance.
- What Jefferson County's new Wildfire Resiliency building code will mean for you.

Tuesday, March 31 at 7 pm: **How to Prepare for the Future.**

- Tips on preparing an inventory of personal property.
- The new Jeffco wildfire resiliency building code.
- What is the insurance industry looking at?
- What are the county and state doing?
- Thinking of selling your house?
- Introduction to being a Fire-adapted Community.