DEPARTMENT OF REGULATORY AGENCIES

Division of Insurance

3 CCR 702-5

PROPERTY AND CASUALTY

Amended Regulation 5-1-17

AVAILABILITY OF FIRE INSURANCE DURING WILDFIRES

Section 1 Authority

This regulation is promulgated under the authority of §§ 10-1-109 and 10-4-110.9(4), C.R.S.

Section 2 Scope and Purpose

The purpose of this regulation is to provide a rule to implement standards concerning the availability of fire insurance during wildfires within a federally designated disaster area in Colorado.

Section 3 Applicability

This rule shall apply to all insurers authorized to write property insurance in the state of Colorado.

Section 4 Definitions

A. “Fire insurance policy” means a policy of insurance on real or personal property, which includes non-commercial dwelling fire, homeowners, tenant homeowners, or mobile homeowners.

B. “Immediately threatened area” means an area located within a federally designated disaster area, because of wildfires, based on such property’s zip code, county location, or distance from any wildfire. Absent a written determination by a government official, or a determination otherwise published by a government official, of the area defined as an immediately threatened area, such term shall mean the area under a lawful order to evacuate or an area under a lawful pre-evacuation order.

C. “Reasonable actions to reduce the risk of fire” means underwriting requirements, which may include, but are not limited to:

1. Requiring the property owner to provide a defensible space around the structure;

2. Requiring the property owner to clean out debris and leaves from gutters and downspouts as well as from beneath decks and porches; and
3. Adding or enhancing fire suppression systems.

Section 5 Rules

A. Insurers shall not refuse to issue a fire insurance policy for a property based on the property's zip code, county location, or distance from any wildfire, unless the property is located in an immediately threatened area.

B. Insurers shall not refuse to renew a fire insurance policy for a property located within an immediately threatened area for any reason that is related to existing wildfires.

C. Insurers, as a condition of renewal, may require a property owner to take reasonable actions to reduce the risk of fire to such property. Such reasonable actions to reduce the risk of fire shall be specified in the insurer's written underwriting guidelines.

Section 6 Severability

If any provision of this regulation or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of this regulation shall not be affected.

Section 7 Enforcement

Noncompliance with this regulation may result in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance, or other laws, which include the imposition of civil penalties, issuance of cease and desist orders, and/or suspensions or revocation of license, subject to the requirements of due process.

Section 8 Effective Date

Amended regulation effective September 1, 2012.

Section 9 History

Amended regulation effective September 1, 2012.