

## [Dropped by Your Home Insurer? Information for Colorado Residents](#)

Most home insurance policies are one year contracts that can be renewed each year. But if you live near an area that was affected by a natural disaster, or you've filed one or more claims, your insurer may drop or "non-renew" your policy. Non-renewal means your insurer won't be issuing a new policy contract when your current one expires. A cancellation is different. A cancellation means your policy is being cancelled before it expires.

As long as an insurer gives you a month's notice before your policy is due to expire, it can choose not to renew your policy. And if, at renewal time, you decide to take your business elsewhere, you are free to do so.

If you get a non-renewal notice from your current insurer before the policy expires, contact them, find out why, and request reconsideration. Colorado law has only a few requirements and restrictions regarding non-renewals:

- **A notice of non-renewal must explain the reasons and be provided at least 30 days prior to the expiration date of the policy;** [1]
- **The insurer must apply their rules consistently.**[2] **That means they must impose the same brush clearance and other rules on you as they do on their other customers.**[2]
- **The insurer shall not refuse to renew an existing fire insurance policy for property that is within an area that has been declared a federally designated disaster area for any reason that is related to wildfire. As a condition of such renewal, an insurer may require a property owner to take reasonable actions to reduce the risk of fire to such property.** [3]

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The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the "Find Help" section of [www.uphelp.org](http://www.uphelp.org). United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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You can check if you are within an area that has been declared a federally designated disaster area by visiting the [FEMA website](#) for declared disasters. Each declared disaster will include a map of the “designated area”.

If the insurer gave you the required 30-day notice, [start shopping right away](#) for a replacement policy. If you feel you’ve been non-renewed or cancelled unfairly, contact the Colorado Division of Regulatory Agencies ([DORA](#)) and [file a complaint](#). They can communicate with your current insurer, and offer guidance on securing a replacement policy. It’s important to keep DORA informed on insurance problems in your community.

Comparison shop, use the Internet and get help finding options. If you’re lucky, you will find similar (or even better) coverage at the same or even a lower price. But in today’s marketplace, you’re likely to end up paying more for the same or less coverage. If you can’t get insurance through a well-known brand name, you may still find a company that’s financially healthy and offers good products. As long as the company is [financially strong](#), and their consumer complaint record is good, brand name shouldn’t matter. Research their financial rating at [www.ambest.com](http://www.ambest.com) and their complaint record on DORA’s website, and do your best to compare the quality of the coverage, limits, exclusions and deductibles.

**BOULDER COUNTY RESIDENTS: Consider applying to the [Wildfire Partners](#) program to make your home easier to insure.**

If you need help shopping for a policy, contact an experienced and reputable agent or broker. Review [our tips](#) on hiring a good one. An independent agent and the Internet will lead you to the widest range of options.

When shopping for a new policy, use [UP’s buying tips](#). Compare “apples to apples” as much as possible by comparing the features that matter. Here are some of the key features to compare:

- **How much dwelling coverage would be available after a total loss?**
- **How much Extended Replacement Cost (ERC) Coverage can you add on? Colorado Law requires an agent/broker to offer you 20% ERC. Ask for a quote for 50% ERC.**
- **How much coverage is provided for Building Code Upgrades?**
- **Does the policy pay Replacement or Actual Cash Value on contents?**

- **Does the policy limit payment for mold and water damage, and if so, how?**
- **How much and how long will ALE/Loss of Use benefits be available? Note: Colorado Law requires an agent/broker to offer you 24 months of ALE.**

If you live in what's known as an "urban-wildland interface zone" you may have few choices for insuring your home and be forced to pay a higher price for less coverage at renewal time. All you can do is look around, find the best option, lock in a policy then continue to check in from time to time on new options. Remember that the home insurance market is dynamic, and new options become available over time.

If your best option is a policy from an insurer you've never heard of, it's extra important to check their [financial rating](#) at [www.ambest.com](http://www.ambest.com). Because Colorado has had a healthy competitive marketplace in recent years for home insurance, there is no government-run "insurer of last resort" as in some other states. If you can't find coverage through the standard agents and companies doing business in Colorado, here are some steps you can take to secure coverage for your property:

- **Check into policies that may be available through a type of insurer called "surplus" or "non-admitted."**
- **[Check your claim history or "CLUE" report](#), correct any errors, do your best to clean up your insurance "score."**
- **As a last resort, your mortgage company will buy a bare-bones and expensive "forced place" policy and add the cost to your mortgage. Avoid this if you can. These policies should be your very last choice and can impact your future ability to sell your property.**

If after a diligent search you cannot find a company that will insure your home, notify DORA and your elected officials immediately, and keep UP informed by emailing [info@uphelp.org](mailto:info@uphelp.org).

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[1] Colorado Rev. Stat. § 10-4-110.7 (2016)

[2] [3 CCR \(CO. Code of Regulations\) 702-5 §7 \(A\)](#)

[\[3\] Colorado Revised Statutes \(CRS\) 10-4-110.9](#)

For consumer information, including a list of Colorado licensed insurers and premium comparison and complaint data, [visit DORA's website.](#)