

[The Colorado FAIR Plan; a last resort option for insuring your home](#)

Historically, you could count on your insurer to offer you a renewal policy when your current one expired, and when you were shopping for new home insurance, you had options and could compare coverage and premiums and choose the best one.

Today, thanks to new tech tools such as risk scores, drone surveillance and AI, plus more frequent hailstorms and wildfires, there's a "new normal." Insurers are dropping (non-renewing) homes and have become more picky about who they'll insure and where. If you get a non-renewal notice, or are shopping for a new policy, you may have few options, especially if you have an older home, live in a wooded area or have filed large or numerous claims in the past.

As a consumer non-profit that's focused on insurance, United Policyholders is closely watching the Colorado home insurance marketplace and offering guidance on protecting your assets and shopping in the "new normal". You can find this guidance and additional resources at:

www.uphelp.org/coinsurancehelp

If you've followed our guidance and shopped, but can't find an insurer willing to cover your home, you can now get coverage through the Colorado FAIR Plan.

What is the Colorado FAIR Plan?

The Colorado FAIR Plan Association (FAIR Plan) is a "last resort" option for people who have been unable to find a company that will sell them a standard policy to insure their home. A FAIR Plan policy protects your home from the risk of fire, and will satisfy a mortgage company's requirement that your home be insured, **but it does not cover theft, flood, earthquake, hail, vandalism, personal liability or loss of use (temporary rent)**. The FAIR Plan collects premiums and adjusts claims and is financially backed by admitted insurance companies licensed to sell property insurance in Colorado.

Can anyone buy home insurance through the FAIR Plan?

Yes, but first you have to have 3 declinations from an admitted carrier before you can get a FAIR Plan

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. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

Source: <https://uphelp.org/buying-tips/the-colorado-fair-plan-a-last-resort-option-for-insuring-your-home/> Date: April 21, 2026

policy. A FAIR Plan policy must be purchased through an insurance broker or agent licensed to sell FAIR Plan policies. As long as the property meets minimal underwriting standards, FAIR Plan will insure the home with a basic dwelling policy, even if it is in a high-risk wildfire area.

Does the FAIR Plan sell the same dwelling and contents coverage as a standard home insurance policy?

No. FAIR Plan basic dwelling policies are “bare bones.” A FAIR Plan policy only covers losses to a dwelling and its contents caused by fire or lightning.

Windstorm, hail, and vandalism coverage can be added to a FAIR Plan policy as optional extended coverages. *You have to specifically add this coverage.*

Will the cost of a FAIR Plan policy be similar to what I was paying for my standard home insurance?

The answer depends on which FAIR Plan options you choose, and whether you also buy a policy that supplements what a FAIR Plan policy covers. Policies that supplement what the FAIR Plan covers are called “Difference in Conditions” (DIC) policies or wraparounds (see below). If you buy a FAIR Plan policy plus a DIC policy, the combination could cost more than the price of a standard home insurance policy with similar protection.

Can I buy a policy from the FAIR Plan that will cover the replacement cost value of my home?

No. The Colorado Fair Plan is an Actual Cash Value (ACV) policy which is replacement cost minus depreciation. Currently, the Colorado FAIR Plan will only insure you for a maximum of \$750,000 total for your dwelling and contents.

Does the FAIR Plan offer the same liability coverage as a standard home insurance policy?

No. The FAIR Plan does not cover personal liability, medical payments to others, or damage to property of others. If you compare a basic FAIR Plan policy with a standard home insurance policy you’ll see it covers much less.

Does the FAIR Plan pay dwelling claims on a Replacement Cost basis like a standard home

insurance policy?

No. FAIR Plan pays claims on the basis of the Actual Cash Value of your home immediately before the loss: Replacement cost minus depreciation.

Does the FAIR Plan cover temporary rent, and other expenses I have, due to not being able to live in my home?

No, there is no Additional Living Expense coverage included in the plan. While a standard home insurance policy covers temporary rent PLUS expenses like extra mileage, pet boarding, meals, furniture rentals, etc. (typically labeled as “Loss of Use” or “Additional Living Expense”).

A FAIR Plan policy does not.

I have diligently searched and cannot get insurance for my home anywhere but the FAIR Plan. Now what?

1) Visit the FAIR Plan’s website to understand your options, then find a licensed insurance agent to help you CUSTOMIZE your FAIR Plan policy and buy the best coverage they offer and that you can afford.
<https://www.coloradofairplan.com/>

2) Get a quote for buying a “Difference in Conditions” policy (DIC) that will supplement what your FAIR Plan policy provides. If you can afford it, buy it.

What else do I need to know about the CO Fair Plan?

Even after you buy a FAIR Plan policy, keep checking for a better option in the private market. The home insurance marketplace changes constantly, so it’s worth continuing to shop for a standard policy that gives you more comprehensive protection.

In addition to the brand name insurers you’re familiar with, you may be able to find an affordable policy outside the FAIR Plan through a “non-admitted” or “surplus lines” insurer. Surplus lines policies may offer higher coverage limits and more comprehensive coverage than the FAIR Plan, but be sure to carefully read all their conditions, exclusions, limits and deductibles. Keep looking for a standard home insurance policy that offers more coverage than a FAIR plan policy for the same or a lower price.

Difference in Conditions (DIC) Policies

What is a DIC policy?

A DIC policy is a type of insurance product you can buy that is designed to supplement or fill in gaps between what a FAIR Plan policy covers and what a standard home insurance policy covers. If you have a standard homeowner insurance package policy, you don't need a DIC.

When the FAIR Plan is your only choice, you should strongly consider buying a DIC policy to fill coverage gaps. Very few people (or professional insurance agents, for that matter!) know about DIC policies or where and how to buy one. DIC policies have traditionally been sold to commercial property owners who needed special coverage for unusual conditions, but in today's challenging home insurance marketplace, more and more homeowners need a DIC policy. Insurers are now offering DIC options, and consumers and insurance professionals are becoming more familiar with them.

What is the purpose of a DIC policy?

A DIC policy should supplement a FAIR Plan policy by covering perils a FAIR Plan policy doesn't cover and giving you better protection. Together, the FAIR Plan policy and DIC policy should more closely resemble a standard homeowner's policy. A DIC policy can be purchased to provide personal liability protection and coverage for perils such as theft, water damage and hail.

How can I get a DIC policy?

A policy has to be purchased from a professional insurance agent or broker. UP recommends working with an independent agent who is up to date on all available options in the current marketplace for insuring your valuable asset...your home.

What does a DIC policy look like?

A contract with lots of words, like any other insurance policy. But it should clearly state what is covered, what is excluded, what your maximum benefits are and how much it costs (the premium).

Can I trust a professional insurance agent or broker to make sure I have no protection gaps once I buy a

FAIR Plan and a DIC policy?

Trust but verify. Agents and brokers should guide you in buying the coverage you need at a price you can afford, but they tend to focus on making the sale and earning a commission. UP recommends against blindly trusting any salesperson to protect your valuable asset. Take the time to ask questions, get answers, take good notes and do your best to make sure you have the proper coverages.

A good agent or broker should be able to answer your questions or at least find answers to your questions, and review coverages, coverage gaps and exclusions, but ultimately, you are responsible for ensuring you have the coverage you need. Blind trust or a 15-minute conversation is NOT the way to properly protect your investment in your home. Two-thirds of the disaster victims we assist through our Roadmap to Recovery program find themselves underinsured. [Read up on how to avoid being underinsured.](#)

Is there anything I should pay special attention to when purchasing a DIC policy?

- **How are covered and excluded PERILS defined?** Review the definitions of the perils covered in the policy. A few key words can mean the difference between thinking you're covered and actually being covered (for example, how is flooding defined? Does surface water, such as rain and snow, meet that definition? What about mudslides, which can occur after a wildfire?).
- **How are EXCLUSIONS defined?** The wording on your DIC policy should match your FAIR Plan policy to ensure there are no gaps in coverage that go unaccounted for. Make sure the language in each policy supplements the other. Your agent or broker may be able to help you.
- **How much are you insuring your home for?** As explained above, the basic FAIR Plan policy will only cover your home up to the policy limit of \$750,000. You may be able to buy a DIC policy that only pays Actual Cash Value or pay more for one that covers your home's Replacement Cost Value.

This publication was produced for educational purposes only and is not intended to be construed as legal advice. UP thanks and acknowledges the following sources for contributing to the information and guidance, Lisa Jensen with Woolverton Insurance, Bryan Hutchinson with Crow Hill Insurance.