United Policyholders
Empowering the Insured

# [Work to reduce fire insurance costs ongoing, advocates say](https://uphelp.org/work-to-reduce-fire-insurance-costs-ongoing-advocates-say/)

Canyon Courier

Fire insurance is a huge pain point for foothills residents, who love their quiet mountain homes but are struggling with the cost to protect them from one of the area's greatest threats.

That frustration was evident among the nearly 200 people who came to Conifer High School last week to learn about options for fire insurance.

The event, hosted by the Conifer Wildland Division, featured speakers from United Policyholders and the Colorado FAIR Plan. State Senator Lisa Cutter also spoke about what's happening in the insurance market, new coverage options, and how legislation is addressing wildfire risk.

A Colorado State University analysis of recent trends in Colorado's homeowners insurance market ranks Colorado as the sixth-costliest state for homeowners' insurance in the nation.

From 2018 to 2023, premiums increased a staggering 58%. The average insurance premium is nearly $4,100 annually for $300,000 in coverage, and costs in wildfire-prone areas continue to escalate.

But the State of Colorado, nonprofits and others are working to help homeowners find more affordable options, and several of them spoke the Oct. 28 meeting.

### Uphelp

United Policyholders, a California-based nonprofit, was created as a useful source of information and voice for consumers of all types of insurance across the United States.

The group doesn't sell insurance or take money from insurance companies, but aims to give consumers the facts on buying insurance and navigating claims.

Its three programs help property owners by advocating for pro-consumer laws and public policy, disaster preparedness and insurance education and insurance-related disaster recovery.

Claim costs, inflation and climate change are among the factors heavily contributing to higher insurance costs, said Uphelp's Colorado liaison Lisa Hughes.

"Homeowners insurance has been harder to keep, find and afford," she said. "Name-brand insurers are pulling out, or limiting the number of policies they'll write in an area."

## Experienced recommendations

Hughes is a survivor of the December 2021 Marshall Fire who rebuilt her home. The tragic experience taught her a lot about fire insurance.

"The new normal is you have to pay more attention to your policy, your deductible," she said. "Before the Marshall fire, I probably never read my policy. Now I read it."

She recommended homeowners get a replacement cost coverage policy instead of cash value and get extended replacement coverage as well as building code compliance and upgrade coverage. She urged them to understand what the policy covers, such as mold, flood, and earth movement coverage and urge them to consider extra coverage for jewelry, art and antiques. They should also get flood insurance. Erosion is common after wildfire, and with erosion comes flooding, she said.

They should shop around and work with a proactive broker and she suggested checking for discounts and bundling their home and auto with one insurer to save money. They should know their deductible and consider raising it while reducing or eliminating buckets of coverage they can live without.

She recommended against making small claims and urged them to mitigate and harden their home by creating defensible space, making sure to give their insurer proof of the work they've done. Take pictures or video of everything in your house and save it to the cloud, she said.

Hughes said insurers rarely cancel homeowners. That's an action typically taken if premiums aren't paid.

Instead, they more often drop or non-renew a policy at the end of a contract due to a long list of potential reasons, including a home's age, risk score or something as simple as a monthly agency policy quota.

For those who are dropped or non-renewed, Hughes urged shopping for new insurance immediately and working with a proactive, local agent.

"Your insurer is required to give you 60 days' notice in advance of your policy end date," she said. "You may need all 60 days.

"The main thing is to avoid being under-insured. Be prepared, not scared. Get educated on your options."

## Colorado FAIR plan

The Colorado FAIR plan was introduced in July 2025 to do just what its name suggests — provide coverage for those with properties standard insurers have deemed too high-risk to cover.

"We're the insurer of last resort," said executive director Kelly Campbell. "If you're coming to the fair plan, you don't have another option. Our rates will reflect the high-risk nature of the properties we ensure. It's really intended to be a safety net."

To qualify, a potential policyholder must have proof of rejection from three standard insurance companies.

The FAIR plan doesn't offer replacement but an actual cost policy, which means the policyholder gets the cash value: the replacement cost minus depreciation.

"It's basic property insurance," Campbell said. "The FAIR plan is intended to address availability and not affordability. It may not look as expensive up front as a traditional … policy. So it's important you understand what coverage you're getting. We may not be your best option but if you need us, we will be that safety net."

The FAIR plan is today protecting $64 million worth of property, she said.

"It's not large," she said. "But that's $64 million that would otherwise be unprotected. We are seeing folks that have had lapses in coverage, and we are able to provide that vital safety net."

While the FAIR plan doesn't cover any extras, she said some carriers are stepping to offer some of those additional coverages.

## Legislative action

Senator Lisa Cutter said the Marshall Fire ignited Colorado's legislature to help its residents.

"We've done so many pieces of legislation related to wildfire insurance in the last couple year, and they've been bipartisan for the most part," she said. "Everyone's got the same goal — to protect our communities and our homes."

That includes HB-1182, signed by the governor in May and scheduled to take effect July 1, 2026. With it, insurance companies will be required to let homeowners know how they can reduce the risk of wildfire to their properties and pay less in premiums. Homeowners could also appeal an assessment of a property's wildfire risk.

"A lot of our work is focused on mitigation," Cutter said. "The reason is that for every dollar we do in mitigation — whether it's state level or mitigation you do on your homes – every dollar spent is a $13 ROI (return on investment). Going forward, I think that's going to be a big thing."

The Colorado legislature is also trying to help firefighters.

"We're also hoping to bring forward legislation to provide a more stable source of funding for all these fire districts," Cutter said. "Their costs are going up greatly, and they're not as well-resourced as they should be."

Jefferson County fire management officer Brian Keating said ballot measure 1A, passed in October 2024, has helped the county step up its efforts. It lets the county retain and spend its collected revenue to fund essential services, which includes public safety and a new Wildland Fire Management Program.

"We plan on building school programs (and building) community engagement," he said. "Just educating people on changing forest conditions, what healthy forests really look like and how that's important in managing wildfire."

1A is allowing the county to hire 37 new staff positions for the program, offer homeowner assessment and certification programs, micro-grants for defensible space and home hardening, and generally increase fire management resources.

The county has also analyzed road segments that could be critical evacuation routes in a wildfire for their risk level.

"We have over 270 miles or road segments in extreme, high, high or moderate (risk) category," he said. "Many of the fire districts have done similar analysis. We are working collaboratively to try to prioritize where we need to send crews out to do mitigation."

One local homeowner expressed frustration at rising insurance costs, and said mitigation seems to have no impact on it.

"Homeowners insurance has gone up 300%," he said. "It seems some companies are just looking at zip codes. So what's the point of mitigating?"

Cutter believes HB-1182 will help.

"It's a groundbreaking bill that we're hoping will change things a bit," she said. "It's a really complicated industry. But I think this is a step in the right direction."

Regardless, she said, mitigation makes homes and properties safer.

"Every single thing you do to mitigate your home will help firefighters save your home," she said. "Firefighters tell us that again and again."

"There isn't a silver bullet," Campbell said. "It will take a variety of efforts to bring down that risk profile. There are factors like inflation; it costs a lot more now to rebuild a home than it did five years ago.

"We're not able to completely combat that with a single piece of legislation. We know we have a big-picture puzzle to solve. But we do think 1182 is an important first step."