



Roadmap to Recovery®  
Advocacy and Action  
Roadmap to Preparedness

July 20, 2023

Commissioner Michael Conway  
Colorado Division of Insurance  
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**RE: Comments for July 18, 2023 Hearing Workshop on HR 22-1111, Concerning Streamlined Inventory Process and Consumer Disclosures, 3 CCR 702-5**

Dear Commissioner Conway:

United Policyholders (“UP”) is a 501(c)(3) that has been educating and advocating for insurance consumers across the nation since 1991. UP has been helping Colorado residents recover from and be prepared for wildfires, floods, wind and hail storms and other adverse events since 2010.

On behalf of the disaster-impacted households that United Policyholders serves through our recovery focused programs, we thank you and your staff for providing this opportunity to provide input on implementing legislation aimed at improving the contents claim process. We know that you and your staff are well aware of the additional stress that gets put on disaster survivors where insurers require detailed itemization of the destroyed contents of their homes, then challenge those details and delay providing timely compensation. We appreciate that your agency, along with our organization, have helped advance legislation to simplify the process.

Through our Roadmap to Recovery® program, in partnership with local and state officials, other non-profits and business leaders, UP has provided services to Colorado homeowners impacted by the Four Mile, Waldo Canyon, Black Forest, High Park, CalWood, East Troublesome wildfires and is currently engaged in the Cameron Peak and Marshall fire recovery efforts.

UP strives to help ease the contents inventorying burden by offering samples and examples of completed inventories on our website that were created and/or shared by previous disaster survivors. We host webinars on how to approach the process, create and populate an inventory spreadsheet or form and find pricing after a fire has destroyed documentation along with

Empowering the Insured

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contents items. We host “pricing parties” where contents valuation experts and previous disaster survivors volunteer their time to help with the pricing issue.

We generally support the Regulation, and offer the following comments:

Section 5.A.1.c – Strike this unnecessary requirement. By accepting premium payments and issuing the policy with the stated contents limits, the insurer has in effect certified that the value of the policyholders’ contents meets or exceeds the policy limit. To require additional documentation to receive the 30% advance is unnecessary and will intimidate consumers.

Section 5.B. – Consider adding these elements for more transparency and clarity to consumers:

- Add a definition of “like kind and quality” (since it varies with insurers) Consider: “Identical or similar in physical characteristics, quality and reputation as the goods being valued and can perform the same functions or are commercially interchangeable with the goods being valued.”
- A timeline for policyholder to submit items, including ability to make multiple submissions

Section 5.B.3.a – Suggest replacing “include” with “limited to.” Our goal is to prevent survivors from having to respond to repeated and harassing requests for additional details/information.

Section 5.B.4 – The language about insurer making changes to the submitted inventory is insufficient, without requiring it align with the documentation the consumer provided in some manner, otherwise the consumer will be cross referencing thousands of items. Insurer should provide a simplified method to track any changes made (line item numbering, etc.).

Section 5.B.6 – Clarify that a dispute over one item on the list shall not delay settlement and payment for other items on the submitted list. Clarify the next step after an insurer considers additional information within 30 days of submission...Does this mean if the insurer does not respond within 30 days of supplemental information submission, the claim must be paid? How long can the insurer keep up the rounds of requests for additional information. *THIS SHOULD ALSO BE NOTED IN SECTION 5.B.8 – Depreciation.*

Section 5.B.7.a – Suggest adding language to expressly prohibit depreciation of items that are not subject to wear and tear (e.g., antiques, musical instruments, etc.).

Section 6.A – Suggest replacing “insurer’s determination of a valid loss claim” with “notice of a valid total loss claim” or provide more clarity with a time limit for the insurer to complete this determination.

Section 6 – Suggest adding reference to Colorado regulation CCR 702-5-1-14-4, which requires all claims be settled in 60 days or the insurer owes interest.

We applaud the Department’s effort to further streamline the contents inventory process. In the aftermath of wildfires that destroy homes and communities, the insurance claims process is one of the most stressful, painful endeavors a disaster survivor will face. For those unfortunate enough to have an insurer insist on honoring the letter of their legal contract and requiring the completion of a personal property inventory, it becomes a full-time job of remembering and agonizing over every item lost, on top of reestablishing their household, finding a builder and moving construction along in a timely manner as the clock ticks away the 12 or 24 months of Additional Living Expense coverage.

UP survey data from the three 2020 Colorado wildfires<sup>1</sup> highlights the issues this updated regulation means to simplify:

- 66% of survey respondents reported being required to list and describe every single damaged or destroyed item.
- 45% of survey respondents reported being required to list when and where each item was obtained.
- 43% of survey respondents reported being required to submit inventory on a specific form.
- 17% of survey respondents reported their insurance company changed the information they provided on their home inventory to a different brand, quality, or price.

And the financial imperative adds to the stress. With 80% of Marshall Fire survivors who completed UP’s one year survey on insurance issues reporting that their policy limits were inadequate to cover actual losses and they do not have enough insurance to cover the cost of replacing or rebuilding their home, by an average of \$110 per SF, the streamlined flow of contents claims funds are vita. 80% of those underinsured Marshall Fire households reported that they are using their Contents insurance dollars to fund rebuilding their homes.<sup>2</sup>

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<sup>1</sup> <https://uphelp.org/wp-content/uploads/2022/02/2020-CO-One-Year-Survey-Report-v1.pdf>

<sup>2</sup> <https://uphelp.org/wp-content/uploads/2023/07/2021-Marshall-Fire-12-Month-Survey-Report-Google-Docs.pdf>



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These Colorado wildfire survivor quotes highlight the impact this regulation will make if successful.

*I am very grateful for all the information we have received from United Policyholders. The laws in Colorado concerning insurance in natural disasters need to change. Especially the 30% personal property payout. If we received 80%, I would not be spending the 3 years turning in receipts for what they owe us. This is tremendously stressful! - S.S., Cameron Peak Fire*

*Our greatest source of stress right now is trying to do an itemized contents collaboration in order to receive our full insurance coverage. Why do we have to do this? Shouldn't we be paid out for a total loss? We PAID our insurance premiums.... We are retired and this has not been good for our health. We have experienced chronic stress since 12/30/2021 (15 straight months, so far). - C.B., Marshall Fire Survivor*

Thank you for your consideration of these comments and your work on this important matter.

Respectfully submitted, July 21, 2023,

A handwritten signature in cursive script that reads "Amy Bach".

Amy Bach  
Executive Director