



November 16, 2023

Colorado Division of Insurance Public Hearing on Potential Solutions to Affordability Challenges - Traditional to Innovative Solutions, November 13, 2023 (Virtual)

Comments of Lisa Hughes/United Policyholders

Good afternoon Commissioner Conway and staff. My name is Lisa Hughes, and I'm speaking in my dual capacity as a Louisville resident whose home was totally destroyed in the 2021 Marshall wildfire and a part-time staff member with the national nonprofit insurance consumer organization, United Policyholders. As a fire survivor I thank you for your leadership and support. As a UP staff member, I thank your team for partnering with our organization to problem solve and gather data.

As a Boulder County resident, I am very concerned about the rising cost of premiums and how common it is becoming for my neighbors in the Marshall fire area to get a notice from their current insurance company that the company will not be offering them a renewal policy. A neighbor of mine who has been insured with Amica Mutual, (a highly reputable company) was recently notified that they would not be writing any new policies in CO, but would be renewing existing customers. However, now that she is about to move back to a rebuilt home, she's discovered that they now won't write her a policy even though she had kept her car insurance, umbrella policy etc with them during her rebuild.

I'm hearing from many people in Boulder that their home insurance premiums have recently doubled. Another Marshall fire survivor told me that she had to reach out to 5 different companies before she could find one that would write her a policy. This just adds to the trauma that fire survivors are already experiencing.

We have previously seen patterns of non-renewals in Colorado communities impacted by wildfires, but the forces of competition filled in the gaps, and survivors were able to find insurance on their rebuilt homes. That does not seem to be happening today. It is critical that we innovate to prevent a home insurance availability and affordability crisis here in Colorado.

In California, where United Policyholders is based, home insurance affordability and availability in wildfire-impacted and brush heavy regions has reached crisis proportions. Our organization is hard at work helping consumers shop and navigate

and coordinating with the CA Department of Insurance and many other stakeholders to find solutions. We're heavily focused on getting discounts and renewal rewards in place for property owners who invest time and money into hardening their homes and creating defensible space.

In California UP is running a "Wildfire Risk Reduction and Asset Protection" ("WRAP") initiative which includes monthly meetings of a working group of firefighting agencies, fire scientists, Firewise and Fire Safe Community representatives, insurance agents and brokers and representatives of the Institute for Home and Business Safety.

While the stories above are anecdotal, the trend is worrisome. UP is keeping its eye on the situation in Colorado and worrying. We believe that a combination of complex forces are causing insurers to overreact, leaving property owners to navigate a very challenging marketplace.

United Policyholders will be launching a Colorado Home Insurance Survey at the beginning of 2024 to collect data on this issue and help inform our preparedness and advocacy work to help Colorado consumers contend with a changing marketplace. We hope the Division will support our effort, as you've supported our efforts to gather data about wildfire recovery.

Consumer education about how to find replacement coverage and how to save money without reducing coverage is critical. Homeowners have to be proactive with their insurance - something we Marshall Fire Survivors are familiar with. Homeowners have to be proactive in hardening their homes to prevent as much as possible damage from extreme weather events. And Regulators and local governments must recognize that homeowners need to be supported in this effort through mitigation assistance grants.

We encourage the DOI to urge insurance companies to give premium discounts for mitigation measures.

Many rebuilds are doing extensive fire hardening measures at significant cost thereby decreasing risk to insurers and to their neighbors and community and this should be rewarded.

Making home hardening and mitigation grants available is key to help homeowners harden their home. Wildfire Partners and residents in Boulder County have been leading the way in this space. Additionally, the state of Colorado has provided \$5000 grants with no income limits to encourage Marshall fire rebuilders to use the \$ for a variety of mitigation measures such as upgrading windows, non combustible fencing on the wings of a house, ember proof vents, cement siding, etc. But, the state needs to



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extend this to other homeowners as well without income limits. Rep Joseph's bill from last spring is a good start for incentivizing lower income homeowners to make home hardening improvements, but more needs to be done. This burden cannot fall solely on the consumers.

We are encouraged that Colorado will be creating a FAIR PLAN to help homeowners who do not have options in the traditional marketplace. We must keep in mind that this is a last resort safety net. And a healthy home insurance marketplace is one that is accessible and affordable to homeowners and provides enough coverage to create the safety net promised.

Thank you.