



Roadmap to Preparedness Program

Insuring Your CO Home: Navigating today's challenging marketplace

Roadmap to Recovery® Webinar
Colorado disaster survivors
Thursday, October 24, 2024

You can download and follow the slide deck here:

The screenshot shows the United Policyholders website. The top navigation bar includes links for LOG OUT, MY QUESTIONS, ASK AN EXPERT, and FORUMS, along with a search bar. A secondary navigation bar contains HOME, ABOUT, MEDIA, RECOVERY HELP, GET PREPARED, ADVOCACY, COMMUNITY, EVENTS, and SUPPORT UP. The main content area features a purple header for 'EVENTS' and a breadcrumb trail: Home » Events » Insuring Your Rebuilt, Replaced or Restored Home: Colorado Home Insurance Shopping Help webinar. The event title is 'Insuring Your Rebuilt, Replaced or Restored Home: Colorado Home Insurance Shopping Help webinar'. The date and time are Thursday, October 24, 2024, at 7:00 pm MT. The event is on Zoom, registration is required, and it is for all Colorado homeowners. A purple 'REGISTER HERE' button is present. A blue arrow points from the event page to a 'RESOURCES' sidebar. The sidebar contains a link to the 'Colorado Home Insurance Shopping Help Page' and a highlighted link to the 'Insuring Your Rebuilt, Replaced or Restored Home: Colorado Home Insurance Shopping Help Slide Deck'. The event description states: 'An expert panel moderated by United Policyholders' Co-Founder Amy Bach, featuring Bobbie Baca (CO Division of Insurance) and Sarah Lucero (CO Insurance Broker) will present cutting-edge information and guidance on shopping for home insurance in today's challenging marketplace. Topics will include: Shopping, risk reduction and money-saving strategies, understanding different types of insurance companies (including the soon-to-open Colorado Fair Plan) and avoiding underinsuring your home.'

<https://uphelp.org/events/insuring-your-replacement-restored-home/>
Register for upcoming events. View recordings of past events and related resources.

About United Policyholders

- A 33 year-old insurance consumer advocacy 501(c)(3) non-profit with a Platinum Guidestar rating and a national corps of professional and disaster-experienced volunteers.
- Advocating for fair insurance practices and improving disaster resilience and recovery since 1991. Working in CO since 2010.
- Trustworthy, plain language info and expertise on buying home insurance and navigating claims after a loss.
- Three programs: Roadmap to Preparedness, Roadmap to Recovery® Advocacy and Action.
- Closely monitoring the property insurance marketplace, coordinating with stakeholders to restore affordable options and working hard to help people reduce risk and keep homes and businesses adequately insured despite a current national crisis.

Today's panel

- Amy Bach, United Policyholders
- Bobbie Baca, CO Division of Insurance
- Sarah Lucero, Agent, Risk Mgmt Partners
- Lisa Hughes, United Policyholders

Amy Bach, UP Executive Director



- A professional insurance consumer advocate since 1984, Co-founder, United Policyholders
- Appointed Member, Federal Advisory Committee on Insurance (US Treasury)
- Official Consumer Representative, Nat'l Association of Insurance Commissioners
- Associate Board Member, Redwood Credit Union Services Group
- Published author, experienced trial and regulatory attorney



Bobbie Baca · 2nd

Director, Property Casualty & Title Consumer Services

Denver, Colorado, United States · [Contact info](#)

74 connections



Michael Conway is a mutual connection

 **Connect**

Message

More



State of Colorado



Colorado State University

About

Highly motivated Director of Property & Casualty Consumer Services committed to protecting Colorado consumers. Expertise includes knowledge of Colorado insurance laws and regulations, performance management and coaching and mentoring a team of consumer advocates. Organized and detail-oriented while investigating consumer complaints. Strong interpersonal, writing, research and critical thinking skills. Proven ability of taking initiative ...see more

Sarah Lucero

Partner—Personal Lines



I was raised in a family of hard-working individuals. I am a Colorado native and so is my family, which is rare to find these days. I have four grown children who are finding their way in this world. I have been in the insurance business for over 20 years, and I thoroughly enjoy explaining coverage and educating my clients with all the tools they need to make an informed decision for their own personal insurance needs. When I am not pounding away on my keyboard or meeting clients, I enjoy time with my family and wonderful circle of friends. Summer is my favorite season, so you will find my husband Mark and I enjoy spending time in our back yard hanging out in the pool, camping, fishing, and traveling abroad.



Lisa Hughes

R2R/R2P Colorado Liaison

Lisa Hughes joined the UP staff in 2022 as the Marshall Fire Local Liaison after losing her home in the Marshall Fire in Louisville, Colorado in Dec 2021. Her neighborhood of 20 years was lost in the fire. Lisa helped her community as a neighborhood liaison which led her to working for UP. She works in the recovery, preparedness, and advocacy and action programs.

Lisa has a Masters in Social Work from San Jose State University and a BA from the University of Colorado, Boulder. She has worked in the nonprofit sector as a volunteer manager, and is a former teacher. She has spent many years volunteering in non profits. When not working she enjoys spending time with her family in Colorado's beautiful mountains, hiking, reading, doing Zumba, and playing with her dog. She is excited to help Coloradoans navigate insurance after disaster and provide ways to keep their homeowners insurance.



Why are we here?

- A combination of factors have created a national property insurance crisis, particularly in areas where there have been recent large scale disasters.
- Home insurance has become much harder to keep, find and afford in Wildland Urban Interface regions, suburban, and even urban areas across the United States. Name brand insurers have stopped selling new policies or imposed strict monthly sales limits on agents, competition is at an all time low, premiums have doubled and tripled.
- Many households are finding their only option is to buy insurance through a company they've never heard of, or a "surplus lines" (non-admitted, "excess") insurer. Surplus lines insurers don't participate in insolvency funds, their forms and rates are not regulated.
- Colorado's Fair Plan and supplemental options are in development.
- United Policyholders' guidance has shifted from helping people avoid being underinsured to helping households find **any** viable option.
- Reducing your risk profile is key to keeping affordable insurance in place.

Reasons your insurer may not offer you a renewal or new policy

- Your home's Risk Score
- The home's claim history (Losses/claims w/in the past 3-5 years – you or previous owner of home)
- Age of home
- Age or condition of roof
- Conditions at/around your home they perceive as hazardous
- Galvanized pipes
- Knob and Tube wiring
- Pool
- Trampoline
- Monthly quota imposed on the agency you buy through
- The insurers business objectives/# of homes in the area they're currently insuring

What to do if you are dropped/non-renewed?

- Start shopping right away
- Get help from an experienced, pro-active agent, ideally local, who specializes in homeowners insurance
- Understand the basics of what's most important to cover
- Ask questions so you know about limits, exclusions and deductibles, keep good notes of your conversations with insurer representatives
- Do your best to insure your home for replacement cost value, including code upgrades, and buy an extended coverage endorsement as extra protection
- Be prepared to make risk reduction home improvements
 - Updated wiring, plumbing systems
 - Install a water sensor
 - Repair/replace your roof
 - Address hazardous conditions

Why is this happening?

- Marketplace factors related to profit objectives, claim costs, shareholder and investor goals.
- Risk segmentation and “TMI” facilitated by technology (risk scoring systems, models, drone inspections) resulting in severely reduced underwriting and rate increases.
- Increasingly severe weather events associated with climate change.
- Inflation, a hard reinsurance market, contention over regulations, model and rate approvals.

How UP is helping:

- Educating and assisting consumers in partnership with regulators, public officials and agents/brokers.
- Coordinating with firefighting agencies, community-based advocates, IBHS, scientists, insurers to advance risk reduction standards, home hardening, defensible space, funding and programs aimed at increasing individual and community level mitigation.
- Hosting monthly meetings w/stakeholders to share ideas, initiatives (e.g. regional bond measures, grant, inspection and certification programs, hosting an online mitigation help center (so far CA only).
- Dialoguing with insurers, encouraging them to recognize the value of wildfire risk reduction and resume insuring condos and homes in WUI and suburban regions.
- Supporting Federal and State legislation to increase mitigation incentives and funding.

Despite limited options and high prices, be prepared, not scared:

- Get educated on your options
- Seek out a pro-active, consumer-oriented agent/broker
- Reduce/eliminate non-essential coverages where feasible, but avoid underinsuring your **dwelling**
- Aim to insure your home for what it would cost to rebuild from the ground up
- Compare what premiums will be w/various deductibles
- Create a home inventory, store it safely
- Mitigate! Take steps to “harden” your home and create defensible space
- Choose the best option available

CO Rules

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 60 days prior to the expiration date of the policy;
- The insurer must apply their rules consistently. That means they must impose the same brush clearance and other rules on you as they do on their other customers.
- 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, while a claim is open. As a condition of renewal, an insurer may require a property owner to take reasonable actions to reduce the risk of fire to such property.

CO FAIR Plan

The FAIR Plan is intended to be a market of last resort.

- You need three declinations to be eligible.
- Policies must be purchased through a licensed producer (agent or broker).
- For high-risk properties that have no other insurance options – the cost will reflect the risk.
- Limited coverage options – the surplus lines market may be a better option with better coverage.

CO FAIR Plan (con't)

Limited Coverage Options

- Policies will not include replacement cost coverage.
 - Actual Cash Value policies (replacement cost less depreciation)
- Coverage limit is \$750K on homes.
 - No limit on value of properties but there is a limit on coverage.
- Fire, Lightning coverage with option to purchase “extended coverage” (includes damage from wind/hail, smoke, vehicles, riot, aircraft).
- Rates are not yet available.

For more information on the Colorado FAIR Plan, join the Division of Insurance Stakeholder meeting October 29, 2024, at 2:00 PM. Register for the meeting [HERE](#).

Division of Insurance Resources

Division Homeowner/Automobile Premium Comparison Guides –
<https://doi.colorado.gov/for-consumers/consumer-resources/premium-comparison-reports-auto/homeowners-insurance>

Homeowners Insurance Buyers Guide – Toolkit for Homeowners
<https://doi.colorado.gov/insurance-products/homeowners/renters-insurance>

Online Resources:

If you have a specific issue: <https://doi.colorado.gov/for-consumers/file-a-complaint>

For general homeowners information, including past and upcoming stakeholder meetings: <https://doi.colorado.gov/homeowners-insurance-affordability-availability>

Contact Us:

303-894-7490

DORA_Insurance@state.co.us

Affordability strategies

- Find out what discounts are available, ask for those you qualify for.
- Bundle your home and auto policies with one insurer.
- Work with a *pro-active* insurance agent/broker.
- Raise your deductible.
 - While shopping ask for a quote with different levels of deductible: \$1,000, \$2,500, \$5,000
 - A higher deductible will reduce your premium and you will be less likely to file a small claim
- Reduce/eliminate buckets of coverage you can live without (High dollar limits on contents, Other Structures).
- Mitigate: Harden your home, create defensible space and give your insurer proof.
- Don't file small claims, do what you can to improve your risk profile (install a moisture sensor, alarm...).

Panel questions:

- What coverages do you believe are most important to have in place?
- Where should people not trim to save money?
- Other shopping strategies for today's challenging market?
- What discounts are currently available?

How agents/brokers can help:

- Access to options you can't find on your own
- Explaining options
- Advising you on essential/non-essential coverage, endorsements, deductibles

Risk Scores are a big deal

- Numerical label on the household
- Replacing human judgement
- Early stages of transparency/consumer access and appeal process
- Very impactful re: availability and affordability
- Not yet adequately factoring in mitigations
- Consumers need more info on their score and the ability to correct errors

UP is asking regulators and lawmakers to:

1. Require an insurer to provide a consumer with copies of date-stamped images of their home that show conditions that are out of compliance with the insurer's underwriting guidelines and/or impact the property's risk score, what factors go into that score, and what steps the consumer can take to reverse the insurer's decision. Photo must be no more than 12 months old.
2. Require an insurer to provide an appeal process so the consumer can challenge the assumptions/ correct any errors (e.g. "that's not damaged roof tiles – that's my solar panel" or "that's not my home/address" or "There's a fire hydrant/station very close to my home that you didn't factor in"...) (This is already law in CA).
3. Require an insurer to give the consumer a reasonable time period to cure the defects/conditions underlying the non-renewal rejection.
4. Require an insurer to offer a renewal policy to a consumer who submits proof that they've cured the defects/conditions identified in #1 above.

Your community...

- Should have/get the “Firewise” designation
<https://www.nfpa.org/education-and-research/wildfire/firewise-usa>
- Your fire departments and public agencies offer resources to help you, your neighbors and the community earn risk-reduced ratings.
- If feasible, volunteer to help your community get widespread household participation in wildfire risk reduction.

Create “defensible space” “Harden” your home

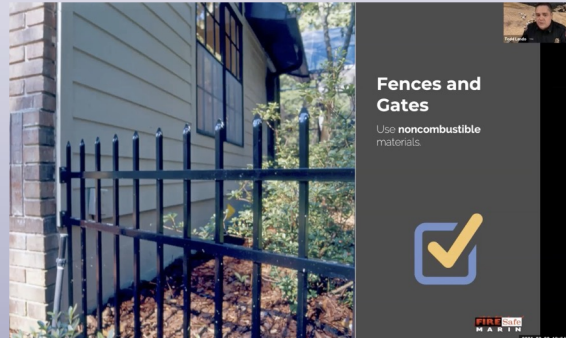
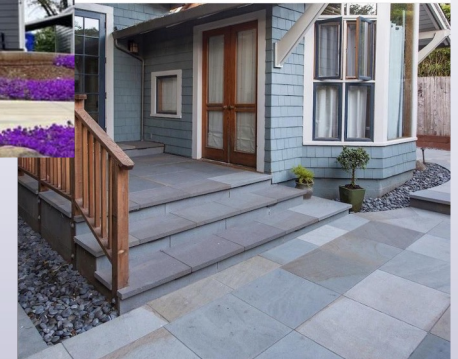


Improve Your Home's Chances of Surviving a Wildfire

- Have a Class A fire rated roof
- Install screens to keep embers out
- Gutters should be kept clear of leaves and needles
- Clear plants so there's 5 feet of space around your home
- Remove all combustible materials from under and near decks
- Prune branches near the home
- If wood fencing touches your home, replace at least 5 ft. of it with metal
- To get help with the above, visit the WRAP Resource Center: www.uphelp.org/wrap



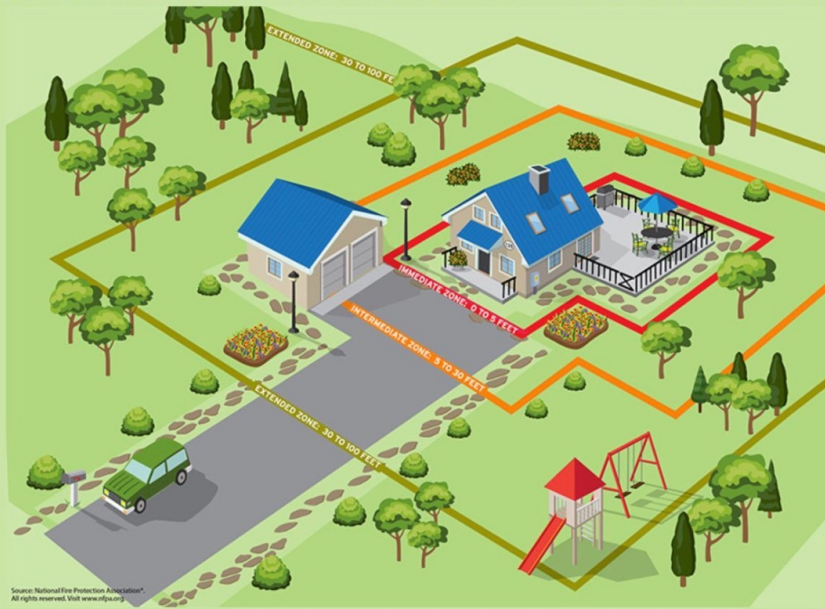
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Wildfire risk reduction help in CO

- Fire Adapted Communities (FACO)
- Wildfire Partners
- Home Assessments,
County/Local/Regional programs

WILDFIRE MITIGATION BEGINS AT HOME



Source: National Fire Protection Association. All rights reserved. Visit www.nfpa.org

Take Critical Actions in the 3 Home Ignition Zones

Strategies for Minimizing Structural Ignitability in Zone 1:

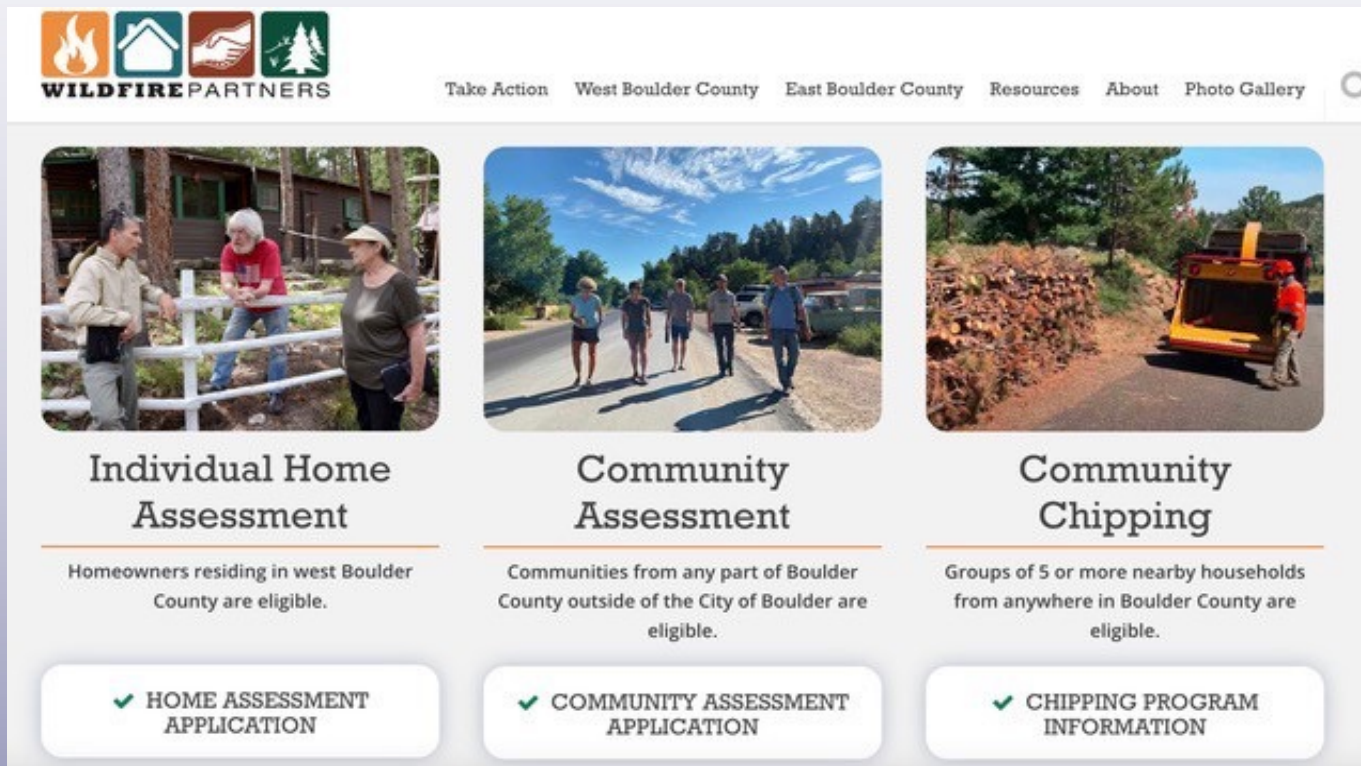
- Ensure the roof has a Class A fire rating
- Remove all leaves, needles and other debris from all decks, roofs and gutters
- Screen attic, roof, eaves and foundation vents with 1/8-inch metal mesh
- Screen or wall-in stilt foundations and decks with 1/8-inch metal mesh
- Use tempered glass for windows; two or more panes are recommended
- Create 6 inches of vertical clearance between the ground and home siding
- Replace combustible fencing or gates, at least within 5 feet of the home

LEARN MORE HERE:
CSFS_HIZGuide_Web.pdf



Wildfire Partners

- The original, first of its kind
- Hands-on risk reduction
- Insurer engagement via renewals, not guaranteed, but consistent



The screenshot displays the Wildfire Partners website interface. At the top left is the logo with four icons: a flame, a house, hands shaking, and a tree, with the text 'WILDFIRE PARTNERS'. To the right is a navigation menu with links for 'Take Action', 'West Boulder County', 'East Boulder County', 'Resources', 'About', and 'Photo Gallery', followed by a search icon. Below the navigation are three main service cards. Each card features a photograph, a title, a description of eligibility, and a button with a green checkmark icon.

Service	Eligibility	Action
Individual Home Assessment	Homeowners residing in west Boulder County are eligible.	HOME ASSESSMENT APPLICATION
Community Assessment	Communities from any part of Boulder County outside of the City of Boulder are eligible.	COMMUNITY ASSESSMENT APPLICATION
Community Chipping	Groups of 5 or more nearby households from anywhere in Boulder County are eligible.	CHIPPING PROGRAM INFORMATION

Home Assessments

- Check with your local fire department
- Boulder Fire Rescue-
<https://bouldercolorado.gov/services/wildfire-home-assessment>
- Louisville Fire Protection District- will be rolling these out soon
<https://www.louisvillefire.com>
- Wildfire Partners, West Boulder County only,
www.wildfirepartners.org

Resources for Home Hardening and Home Assessments

Wildfire Partners, wildfirepartners.org,
<https://wildfirepartners.org/rebate/>

Up to \$500 through end of Oct for Boulder County residents to junk junipers, replace fence wings, 5ft defensible space, mesh on vents

City of Boulder- Wildfire Resilience Grant, must apply by 11/30/24, have to live in certain parts of city to qualify
<https://bouldercolorado.gov/WRAP>

Up to \$1000

Home Ignition Zones Checklist

<https://csfs.colostate.edu/wildfire-mitigation/home-ignition-zone-checklists/>

Yes it's worth it...

(even if your lender isn't requiring)

- Insurance money -- not charitable or government aid -- is the #1 source of money that helps people rebuild and recover after a disaster.
- FEMA money is *needs-based* and the maximum grant is \$42k. Average ~ \$5k.
- SBA loans are low interest but must be repaid.
- Charitable aid generally covers basic needs – not the cost of rebuilding a home.

Four main types of insurance companies

- Admitted/licensed
- Non-admitted/Surplus/Excess
- Gov't sponsored (Fair Plan, NFIP)
- Forced/Lender-placed

On our website: [Understanding different types of insurance companies](#)

Admitted/licensed

- Participate in the CO Insurance Guaranty Association so if they run out of funds, you're protected up to \$300,000
- Rates and policy forms are regulated by DOI

Examples: Allstate, Travelers, Safeco, Geico, The Hartford, USAA, American Modern, American Family, Nationwide, Progressive, Aegis, State Farm, Farmers

Surplus/Excess/Non-Admitted

- Do not participate in the CO Insurance Guaranty Association so if they run out of funds...get in line w/all creditors
- Rates and policy forms are NOT regulated by DOI

Colorado Eligible Non-Admitted Insurers Writing Surplus Lines (2024-2025 list, updated 7/1/24, 9/17/24)

What matters:

- Replacement coverage over ACV
- Extended replacement coverage
- Building Code Compliance/upgrade coverage
- Adequate dwelling and ALE limits
- Extra for art, jewelry, business property, guns
- Know what's excluded/limited: Flood, EQ, Mold, Earth Movement
- Deductible

No matter which insurer you end up with...

- Your Dwelling “Coverage A” limit should be enough to replace your home with one similar size and features.
- Ask local builders what the psf cost of new construction is, multiply that by the amount of your living space. (Example: 2,000 sq foot home X \$400 psf would require \$800,000 Coverage A limit)

Questions to ask about an insurance proposal/offer

- What can you tell me about this insurer's financial strength and reputation for good coverage and claim handling?
- Will this policy cover the **cost of rebuilding** my home to its pre-loss condition?
- What causes of loss are **not covered**?
- Will my insurance cover the cost to upgrade electrical, plumbing and other **building codes upgrades** if I have to make repairs or rebuild my home?
- For how long will my **temporary rent and related expenses** be covered while my home is being repaired or rebuilt after a loss?
- What items are subject to **limits or exclusions** and for which of these limits or exclusions should I consider adding coverage?
- What are my options for insuring my **home-based business** property and operations?
- What **discounts** do you offer and how do I qualify for them?
- How much can I save if I increase my **deductible**? Flat or %?

Help us continue to monitor and contribute
to solving CO's property insurance crisis

Please take and encourage your neighbors
to take our...

www.uphelp.org/cohomesurvey

The data collected will help us help you.

THANK YOU!!!



We've got your back when insurance matters

United Policyholders (UP) is a non-profit 501(c)(3) whose mission is to be a trustworthy and useful information resource and a respected voice for consumers of all types of insurance in all 50 states. We don't take money from insurance companies. We give you the straight scoop. Guide you on buying insurance and navigating claims. Fight for your rights.

info@uphelp.org | www.uphelp.org

Thank You to Our Generous Funder!



**Community
Foundation
Boulder County**