

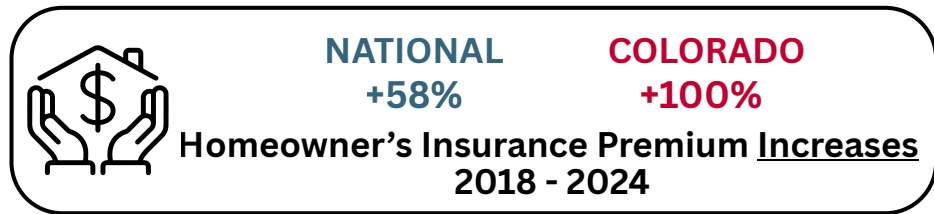


Colorado’s Roadmap to Reduce Homeowner’s Insurance Premiums

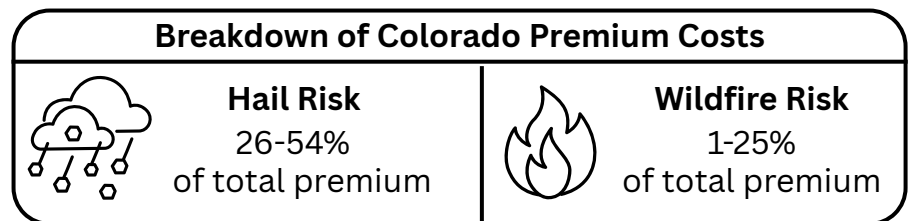
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THE PROBLEM: Homeowner’s insurance is becoming unaffordable for many Coloradans, with costs rising rapidly across the state and the nation.

When homeowner’s insurance becomes too expensive, it makes it harder for Coloradans to buy a new home, makes it difficult for current owners to sell, and puts a financial strain on families trying to stay in their homes. Some homeowners are forced to make difficult choices like reducing their coverage, increasing their deductibles to lower monthly costs, or even in some cases going without insurance entirely. These rising costs hit hardest for lower-income families and retirees who have less financial flexibility.



Through the convergence of population growth and climate change, Colorado is experiencing increased exposure to more frequent and severe natural disasters, resulting in greater property damage. Inflation in construction and repair costs further amplifies insurance claims. For many Coloradans, a significant portion of their premiums can be attributed to risk of hail and wildfire damage. Insurers factor in a property’s risk for hail or wildfire damage into homeowners’ premiums. New analysis from the Division of Insurance shows that while increased premiums due to wildfires are generally concentrated in specific areas, the risk of hail damage is shared by homeowners across the entire state. The vast majority of Coloradans are paying more because of hail risk than wildfire risk.



OUR STRATEGY

The Polis-Primavera Administration has a comprehensive vision to reduce homeowner's insurance prices and ensure all Coloradans can protect their homes. We will achieve this goal through three strategic pillars:



**Strengthen Homes
Against Severe
Weather**



**Recognize Wildfire
and Hail Mitigation in
Insurance Rates**



**Help Communities
Rebuild Faster and
Affordably**

A more comprehensive roadmap will be published later this year. Our specific goal is as follows:

To save Coloradans approximately \$800 annually by lowering Colorado's average homeowner's insurance costs from 6th most expensive state to 13th by December 31, 2027.

Goal Methodology: This goal is based on Insurify's rankings of average homeowner's insurance premiums across states. The \$800 savings represents the difference between Colorado's current position as the 6th most expensive state and the target 13th position (currently held by Arkansas).



Pillar 1: Strengthen Homes Against Severe Weather

Damage from hail and wildfires drive insurance claims. Fortified homes and communities sustain less damage, generating fewer claims and helping insurers reduce premiums and write policies in areas where they've pulled back. Colorado is helping homeowners protect their homes through initiatives such as:

- **Ensuring Coverage Options for High-Risk Homes.** The FAIR Plan provides coverage options for Coloradans when private insurance is not available.
- **Helping Colorado Communities Adopt Wildfire Resiliency Building Codes.** The Division of Fire Prevention and Control (DFPC) is supporting local jurisdictions to adopt the Wildfire Resiliency Code, ensuring that new homes are hardened against wildfires. The Governor's budget supplemental recently requested an additional \$1M of funding annually for the state to support localities in implementation of the code, in addition to the \$1M in federal funding that the state secured to support local implementation.

- **Investing in Smarter Firefighting Technology.** The State is a national leader in predictive services through its intelligence working group providing fire detection, modeling and forecasting. Tools such as FireSat, FireGuard and the Colorado Team Awareness Kit (COTAK) are utilized alongside continued advancement of its Fire Fusion Center among other initiatives and partnerships. The Division of Fire Prevention and Control were recently awarded funding via the Commerce, Justice, Science, and Related Agencies Appropriations Act for Fiscal Year 2026 to bolster this work which includes the integration of improved imagery and expanded satellite data with key detection and modeling platforms (*FireSat, FireGuard, COTAK*) to spot fire activity. These advancements aim to help streamline appropriate management actions and faster suppression of unwanted fires while minimizing damage.



Source: Colorado National Guard



Pillar 2: Recognize Wildfire and Hail Mitigation in Insurance Rates

When homeowners and communities take steps to protect against wildfires and other climate disasters, insurance companies should factor those measures into their calculation of a property’s risk. We are helping ensure that these risk reductions result in cost savings for consumers:

- **Transparent Wildfire Risk Models and Mitigation Incentives.** Starting July 1, [HB25-1182 Risk Model Use in Property Insurance Policies](#) gives homeowners the right to receive their wildfire risk scores from their insurers and to appeal inaccurate scores. Insurance companies must account for mitigation actions like creating defensible space or hardening homes either in their risk models or through premium discounts. To help Coloradans exercise these rights, the Division of Insurance will launch a public education campaign this Summer.
- **Accounting for Statewide Wildfire Mitigation Efforts.** In addition to individual property and community-level mitigation, statewide efforts like forest treatment and utility wildfire mitigation plans help reduce wildfire risk across Colorado. The Division of Insurance will examine whether insurance carriers' risk models currently account for these statewide mitigation strategies and explore opportunities to better incorporate them into carriers’ risk modeling and pricing.
- **Improving Insurers’ Awareness of Mitigation Efforts.** Colorado is exploring opportunities to participate in a multistate wildfire mitigation data sharing initiative ([WUI Data Commons](#)). By improving data sharing about wildfire mitigation across states, we can help insurance carriers better assess Coloradans’ mitigation efforts so that homeowners receive the appropriate premium discounts.



Pillar 3: Help Communities Rebuild Faster and Affordably

Longer rebuilding times after wildfires drive up insurance costs, particularly for temporary living expenses. They also lengthen the disruption felt by displaced families and businesses. Faster rebuilds can reduce these claim costs and lower premiums. The State is helping communities by:

- ***Providing Emergency Support to Local Governments.*** The Department of Local Affairs (DOLA) has emergency funds to provide additional resources and capacity for local governments to support their communities in building back faster after a disaster, such as adding surge permitting staff.
- ***Applying Lessons Learned from the Marshall Fire.*** Three years after the Marshall Fire, about two thirds of homes that were destroyed have been rebuilt, well above the national average of 25% within five years, according to the Boulder Reporting Lab and a University of Colorado Boulder study on post-wildfire housing recovery. The State will continue learning from the successes and challenges of this rebuilding process to ensure effective recovery strategies and lessons learned are understood and integrated into future wildfire recovery efforts, from building innovative capital stacks to expediting assistance to survivors to implementing state-funded disaster resilience rebuilding grants.
- ***Housing Recovery Plans: Integrating Cost and Risk Reduction Strategies:*** The State is integrating strategies to reduce rebuilding costs and strategies to rebuild more resilient homes that can better withstand future events into statewide housing recovery plans.



The Work Continues: Legislative Action

While development of the Roadmap is underway, the urgent need to lower costs for Coloradans requires even more good ideas. Governor Polis is working on SB26-155 with the Division of Insurance and the Colorado General Assembly aimed at reducing homeowner's insurance premiums. This bill would make it more affordable for Coloradans to get hail proof roofs, decrease premiums, and find the tools to increase competition in high-wildfire areas. The legislative effort is further supported by the Governor's Mountain Pine Beetle supplemental budget package, which proposes increased investments for wildfire mitigation efforts and the extension and expansion of tax credits for homeowners to create defensible space around their homes. The State is committed to taking every possible step to lower costs for Coloradans.