COLORADO
Department of
Regulatory Agencies
Division of Insurance

Bulletin No. B-5.56

Guidance for Insurers Regarding Annual Written Notice to Policyholders on Risk Scores and Mitigation Discounts

I. Background and Purpose

The purpose of this bulletin is to provide guidance to all property insurers, including the FAIR Plan, required to provide applicants upon application and policyholders annually, a plain language notice required by § 10-4-124, C.R.S. that discloses their property's wildfire risk score or classification, the insurer's wildfire risk score range, any available mitigation discounts, and appeal rights.

Bulletins are the Division of Insurance's (Division) interpretations of existing insurance law or general statements of Division policy. Bulletins themselves establish neither binding norms nor finally determine issues or rights.

II. Applicability and Scope

This Bulletin is intended for property insurers, including the FAIR Plan, that offer property insurance policies subject to § 10-4-124, C.R.S.

III. Division Position

All insurers offering property insurance policies must provide an annual written notice to policyholders and applicants, upon application, on property wildfire risk scores and mitigation discounts, and any other wildfire risk classification the insurer uses to underwrite or price a residential insurance policy including master property insurance policies for multifamily residential housing.

Included in this bulletin are four notification forms that may be used as applicable.

Attachment A: Annual Notice About Wildfire Mitigation Discounts
 This form makes the consumer aware of an insurer's available discounts and their impact on premiums.
Attachment B: Annual Notice About Wildfire Risk Scores
 This form makes the consumer aware of an insurer's use of wildfire risk scores or wildfire risk models and their impact on premiums.
Attachment C: Annual Notice About Wildfire Risk Scores for Underwriting Eligibility
 This form is for insurers that incorporate mitigation in their risk models that are solely used to determine eligibility.
Attachment D: Annual Notice About Wildfire Risk Scoring for Underwriting Eligibility Only
 This form is for insurers that do not incorporate mitigation in their wildfire risk models. This form provides a list of mitigation actions that determine eligibility, are

not incorporated in a wildfire risk model but otherwise demonstrably account for mitigation of a risk.

Insurers may use the applicable notification form included with this Bulletin as Attachments A, B, C and D. Insurers may deviate from these attached forms as long as all notices include the minimum requirements in § 10-4-124(6)(a) and (b), C.R.S.

IV. Additional Resources

Colorado Division of Insurance
Property, Casualty & Title Consumer Services
1560 Broadway, Suite 850
Denver, CO 80202
303-894-7499
doi.colorado.gov

V. History

Issued February 10, 2026
Reissued April 6, 2026

Attachment A

Annual Notice About Wildfire Mitigation Discounts

Under Colorado law, insurance companies that provide wildfire mitigation discounts must give policyholders yearly notice.

Property Specific Mitigation Action means a science-based mitigation action as demonstrated by the “Wildfire Prepared Home” designation from the Insurance Institute for Business and Home Safety or by a similar mitigation program that includes a verification and certification process. These mitigation actions may include measures such as:

- Noncombustible five-foot area around the structure
- Class A roof
- Non-combustible gutters and downspouts
- Ember resistant vents
- 6-inches of non-combustible clearance at base of exterior walls, and
- Verified through a Wildfire Prepared Home designation or similar.

Community level mitigation means a science-based mitigation action as demonstrated by a community or neighborhood level designation or certification or as undertaken by a government entity. These mitigation actions may include measures such as:

- Community wildfire mitigation program that includes an inspection and certification
- Firewise USA Recognition Program
- IBHS Wildfire Prepared Neighborhood standards which include:

Policy Information

Mitigation Action	**Available Discount Amount** (%)
Insurer Specific Discount (parcel level)	-X.X%
Insurer Specific Discount (community level)	-X.X%

[Insurer insert specific information about the discounts, how to determine if they apply to your policy, and what actions can be taken to receive the discount]

<u>Submitting an Appeal</u>

If you don’t agree with the information we currently have for your property you have a right to appeal.

We will confirm receiving your request within 10 days and provide you with an answer within 30 days.

To submit a request, contact your agent or company representative with sufficient evidence such as photos, receipts, or certifications and they will assist you with your submission.

- **[Insurer specific language on how a policyholder can submit a request]**

Attachment B

Annual Notice About Wildfire Risk Scores

Under Colorado law, insurance companies that use risk scores as a factor in determining premium must give policyholders yearly notice.

For Insurers That Use Risk Scoring For Rating Purposes

These scores show how likely your property is to be damaged by wildfire. This notice tells you your property's risk score, the score range, what affects your score, and how actions you take could improve your score. You have the ability to appeal your property risk score.

Different companies use different scoring systems, so scores may vary by company.

Policy Information

Field	**Information**
Assigned Score/Classification	X.XX
Range of Possible Scores/Classifications	Y.YY to Z.ZZ

Property Level Characteristics
[Insurer insert specific information about this property's risk score/classification]

Mitigation Actions that May Improve your Score
Property Specific Mitigation Action means a science-based mitigation action as demonstrated by the "Wildfire Prepared Home" designation from the Insurance Institute for Business and Home Safety or by a similar mitigation program that includes a verification and certification process. These mitigation actions may include measures such as:

- Noncombustible five-foot area around the structure
- Class A roof
- Non-combustible gutters and downspouts
- Ember resistant vents
- 6-inches of non-combustible clearance at base of exterior walls, and
- Verified through a Wildfire Prepared Home designation or similar.

Community level mitigation means a science-based mitigation action as demonstrated by a community or neighborhood level designation or certification or as undertaken by a government entity. These mitigation actions may include measures such as:

- Community wildfire mitigation program that includes an inspection and certification
- Firewise USA Recognition Program
- IBHS Wildfire Prepared Neighborhood standards which include:

Completing Property Specific Mitigation Action and/or Community Level Mitigation may improve your risk score.

Attachment C

Annual Notice About Wildfire Risk Scores for Underwriting Eligibility

Under Colorado law, insurance companies that use risk scores to determine eligibility for coverage must give new applicants and policyholders yearly notice.

<u>For Insurers That Use Risk Scoring</u>

These scores show how likely your property is to be damaged by wildfire. The notice explains your property's risk score. This notice tells you your property's risk score, the score range, what affects your score, and how actions you take could improve your score. You have the ability to appeal your score.

Different companies use different scoring systems, so scores may vary.

Policy Information

Field	**Information**
Assigned Score/Classification	X.XX
Range of Possible Scores/Classifications	Y.YY to Z.ZZ

<u>Property Level Characteristics</u>
[Insurer insert specific information about the score/classification]

<u>Mitigation Actions that May Improve your Score</u>
Property Specific Mitigation Action means a science-based mitigation action as demonstrated by the "Wildfire Prepared Home" designation from the Insurance Institute for Business and Home Safety or by a similar mitigation program that includes a verification and certification process. These mitigation actions may include measures such as:

- Noncombustible five-foot area around the structure
- Class A roof
- Non-combustible gutters and downspouts
- Ember resistant vents
- 6-inches of non-combustible clearance at base of exterior walls, and
- Verified through a Wildfire Prepared Home designation or similar.

Community level mitigation means a science-based mitigation action as demonstrated by a community or neighborhood level designation or certification or as undertaken by a government entity. These mitigation actions may include measures such as:

- Community wildfire mitigation program that includes an inspection and certification
- Firewise USA Recognition Program
- IBHS Wildfire Prepared Neighborhood standards which include:

Completing Property Specific Mitigation Action and/or Community Level Mitigation may improve your risk score.

Submitting an Appeal

If you don’t agree with the information we currently have for your property you have a right to appeal.

We will confirm receiving your request within 10 days and provide you with an answer within 30 days.

To submit a request, contact your agent or company representative with sufficient evidence such as photos, receipts, or certifications and they will assist you with your submission.

- **[Insurer specific language on how a policyholder can submit a request]**

Attachment D

Annual Notice About Wildfire Risk Characteristics for Underwriting Eligibility Only

Under Colorado law, insurance companies that use wildfire risk scores as a factor in underwriting eligibility must give policyholders yearly notice.

For Insurers That Use Risk Scoring To Determine Eligibility Only

These scores show how likely your property is to be damaged by wildfire. The notice explains your property's wildfire risk value. This notice tells you your property's wildfire risk value, and the wildfire risk value range, and how actions you take could improve your eligibility. You have the ability to appeal your wildfire risk value. In addition, insurers may incorporate mitigation efforts into their determination of whether your property is eligible for insurance in higher risk wildfire areas.

Different companies use different scoring systems, so scores may vary.

Policy Information

Field	**Information**
Assigned Wildfire Risk Value	X.XX
Range of Possible Wildfire Risk Value	X - XX

Property Level Characteristics

[Insurer insert specific information about the risk characteristics and underwriting criteria]

Mitigation Actions that May Improve your Eligibility

Property Specific Mitigation Action means science-based mitigation actions such as: [Insurer add or subtract actions as applicable]

- Noncombustible five-foot area around the structure
- Class A roof
- Non-combustible gutters and downspouts
- Ember resistant vents
- 6-inches of non-combustible clearance at base of exterior walls
- Verified through a Wildfire Prepared Home designation or similar

Completing Property Specific Mitigation Actions will not impact your wildfire risk score/classification, however, they may improve your eligibility for insurance in the event your property is not otherwise eligible due to wildfire risk. For more information contact your insurance agent or company directly.

Submitting an Appeal

If you don't agree with the information we currently have for your property you have a right to appeal.

We will confirm receiving your request within 10 days and provide you with an answer within 30 days.

To submit a request, contact your agent or company representative with sufficient evidence such as photos, receipts, or certifications and they will assist you with your submission.

- **[Insurer specific language on how a policyholder can submit a request]**