City of Louisville
COLORADO • SINCE 1878

City Council Communication
Agenda Item 5.B.

Subject: Resolution No. 12, Series 2026 — A Resolution in Support of Colorado State House Bill 25-1182

Date: January 20, 2026

Prepared By: Samma Fox, Deputy City Manager

Presented By: Samma Fox, Deputy City Manager

Summary:
In 2025, the Colorado General Assembly passed House Bill 25-1182 titled Risk Model Use in Property Insurance Policies concerning tools to access risk for the purpose of underwriting property insurance policies. The Colorado General Assembly summarizes the bill as follows:

The act requires a property insurer that uses a wildfire risk model, a catastrophe model, or a scoring method to assign risk to:

- *For the purposes of underwriting homeowners and other property insurance policies, adhere to specific requirements to share information with the commissioner of insurance (commissioner) and the public, include specific activities in the models, and provide notices to policyholders;*
- *Submit available data concerning the models and scoring method as required by rule of the commissioner to the division of insurance as part of the insurer's rate filings; and*
- *Ensure that specific factors are either incorporated in the wildfire risk model, catastrophe model, or combination of models or are otherwise demonstrably included in the insurer's underwriting and pricing.*

If an insurer does not incorporate property-specific and community-level mitigation actions into its models, the act requires the insurer to provide discounts to policyholders who demonstrate actions taken on the property to reduce the risk of loss.

The act requires an insurer to post on its website information regarding premium savings that are available to policyholders who undertake property-specific mitigation actions or provide evidence of community-level mitigation actions and the process for appealing a wildfire risk score.

The act requires an insurer that provides a mitigation discount or that uses a wildfire risk model or risk score to underwrite, nonrenew, price, create a rate differential, or surcharge the premium based upon the policyholder's or applicant's wildfire risk to provide

an annual written notice to each policyholder or applicant for property insurance of the applicable mitigation discounts, the wildfire risk score, and any other wildfire risk classification used by the insurer to underwrite the policyholder's or applicant's wildfire risk. The insurer is required to provide the wildfire risk score or classification to the policyholder or applicant. The act authorizes the policyholder and applicant to appeal the score or classification directly to the insurer.

Background / Prior Discussions:
City Council supported preparation of a draft resolution in support of HB25-1182 Risk Model Use in Property Insurance Policies | Colorado General Assembly during Upcoming Agenda Items and Identification of Future Agenda Items during the January 6, 2026 Council Meeting.

Development Proposal:
N/A

Analysis:
City Council recently adopted its 2026 Legislative Agenda, which serves as a resource and guiding document for the City's engagement in legislative affairs. The Legislative Agenda includes a section on Community Recovery & Resilience. This section includes support for insurance reform that helps residents be better prepared and able to recover from climate disasters, which aligns with HB25-1182.

Council Work Plan:
One of Council's priorities is Safety, which includes mitigation and resiliency initiatives, and aligns with HB25-1182. Council's Work Plan also includes the lenses of Equity, Diversity, and Inclusion as well as Environmental Sustainability, both of which align with the intentions of this bill.

Fiscal Impact:
N/A

Alternatives:
Council may choose to support this resolution as written, not support the resolution, or provide feedback to staff for revisions.

Recommendation:
Staff recomends approval of Resolution No. 12, Series 2026, a resolution in support of Colorado State House Bill 25-1182.

Attachments:
1. Resolution No. 12, Series 2026

RESOLUTION NO. 12
SERIES 2026

A Resolution in Support of Colorado State House Bill 25-1182

WHEREAS, during the 2025 legislative session, the Colorado General Assembly passed House Bill 25-1182, Risk Model use in Property Insurance policies (the "Act"), concerning tools to access risk for the purpose of underwriting property insurance policies; and

WHEREAS, the Act requires insurers using wildfire risk models, catastrophe models, or a scoring method to assign risk to adhere to information sharing requirements with the commissioner of insurance and the public, submit data and scoring methods to the state Commissioner of Insurance as part of rate filings, and ensure specific factors are incorporated in underwriting and pricing; and

WHEREAS, the Act requires incorporation of property-specific and community-wide mitigation actions into models or that insurers provide discounts to policyholders who demonstrate actions to reduce the risk of loss; and

WHEREAS, the Act requires an insurer to post information regarding savings available to policyholders and the process for appealing a wildfire risk score; and

WHEREAS, the Act requires insurers provide written notice to policyholders or applicants for property insurance of the applicable mitigation discounts, wildfire risk score, and any other wildfire risk classification used by the insurer to underwrite the policyholder's or applicant's wildfire risk and to provide the risk score or classification to the policyholder or applicant, and authorizes the policyholder or applicant to appeal the classification directly to the insurer; and

WHEREAS, the City Council's 2025 and 2026 Legislative Agendas both support Community Resilience and Recovery, specifically supporting insurance reform that helps residents be better prepared and able to recover from climate disasters, while promoting the roles and responsibilities of homeowners, renters, and landlords in securing coverage; and

WHEREAS, The City Council's Legislative Agenda provides examples of reform, including legislation that reduces system-wide underinsurance, improves transparency, and addresses insurance availability to ensure community members have access to insurance; and

WHEREAS, House Bil 25-1182 aligns with the City Council's Legislative Agenda and by this resolution the City Council desires to express its support for implementation of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

<u>Section 1.</u> The City Council supports implementation of House Bill 25-1182 and urges legislators to ensure it is implemented transparently and equitably.

PASSED AND ADOPTED this 20th day of January 2026.

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Christopher M. Leh, Mayor

ATTEST:

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Genny Kline, City Clerk