



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1182: RISK MODEL USE IN PROPERTY INSURANCE POLICIES

Prime Sponsors:

Rep. Titone; Brown

Sen. Cutter; Simpson

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0267

Version: Final Fiscal Note

Date: June 25, 2025

Fiscal note status: This final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill establishes requirements for property insurers that use risk management models.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires certain insurance companies that use select risk management models, such as a wildfire risk or catastrophe model, to:

- share certain information about the model with the Division of Insurance in the Department of Regulatory Agencies (DORA) as part of the insurer's filing;
- consider any mitigation effort when assessing risk;
- publish information on the rewards that are available to policyholders who undertake mitigation efforts;
- publish the process for appealing a wildfire risk score, classification, or mitigation discount;
- provide policyholders with an annual notice of their mitigation discounts, wildfire risk score, and other classifications used to underwrite the policy; and
- offer discounts to certain policyholders when mitigation actions are not included in the risk management model.

Policyholders whose wildfire risk score, classification, or mitigation discount are inaccurate may appeal to the insurer, who must respond with a decision within 30 days.

State Expenditures

Starting in FY 2026-27, workload in DORA will minimally increase to promulgate rules, establish guidance for insurance filings, conduct outreach to property insurers, review filings for risk model scoring, and respond to complaints. The department may require legal services, provided by the Department of Law, related to rulemaking, implementation, and ongoing administration of the program, as well as a rise in complaints. Given that DORA already reviews these insurance filings, this workload is expected to be minimal and no change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on May 28, 2025, and takes effect on July 1, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

Law

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).