

Consumer Advisory: Boulder County Fires – Improving Policyholders' Experiences

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Consumer Advisory: Boulder County Fires – Improving Policyholders' Experiences

Division of Insurance asks insurance companies to help fire survivors on key issues.

(view the [web version of this advisory](#))

DENVER - In the aftermath of the Boulder County fires, a number of survivors have experienced unexpected challenges working with their homeowners' insurance companies. As both a regulator of insurance companies in Colorado and a resource for people with concerns, questions and complaints about their insurance, the Division of Insurance (DOI) asked the homeowners' insurance companies with claims from the fires to work differently on those underlying issues.

“There has been a tremendous amount of activity from insurance companies in processing claims from the Boulder County fires, including the many companies that set up at the Disaster Assistance Center to start helping their policyholders. That effort has been appreciated,” said Colorado Insurance Commissioner Michael Conway. **“However, as we move further away from the fires, we are hearing consistent complaints from homeowners impacted by the fire. It is those complaints that made us ask the companies to step up and do better, and overall, the companies agreed. These efforts won’t fix everything, but I view them as a necessary step in helping people to recover faster.”**

The Division had five requests.

1. For smoke, soot and ash claims: Regarding the repair and testing for smoke, soot and ash, along with extending ALE coverage until necessary cleaning, testing and repairs are complete:
 - A) Inspect the home when smoke, soot and ash are visible. Repairs / cleaning

/ replacement as necessary of hard surfaces, HVAC systems, attic insulation and soft goods.

B) If there is a question of habitability after cleaning, insurance company should offer independent testing at the insurer's cost. ALE continued until any testing and necessary remediation is complete.

2. Contents coverage (Coverage C) payout of no less than 60% without requiring inventory (for owner-occupied, primary residences).
3. Provide options for streamlining inventory documentation for total losses for those eligible for additional replacement cost benefits from their policy, including: inventory forms that allow grouping by category, itemizing large items; and grouping by room or individual interviews with the policyholders.
4. Individual claims filed in the declared disaster area as defined by the [State of Colorado Disaster Declaration](#) issued on December 30, 2021, will be treated as a single fire loss with one deductible.
5. No future adverse underwriting actions will be taken based in whole or in part on a claim filed as a result of the Marshall Fire and Straight Line Winds event associated with the [Colorado disaster declaration issued by Governor Polis on December 30, 2021](#).

The Division asked the companies to go above and beyond what current State law requires them to do, and in many cases, beyond what their own policies require. We will continue to work with the companies to address issues as we help the community recover from the Boulder County fires.

Summary of Responses from the 65 Insurance Companies

1.a. Smoke, soot and ash: inspection, cleaning and replacement

- **Agreed to** – 65 companies - 100% of companies
- **Additional Explanations / Caveats** - The insurers generally agreed with the request, but many noted that they will still have to follow policy requirements. Some were concerned with the requirement to replace soft goods, rather than clean first and then replace if necessary.

1.b. Question of habitability: Company to provide testing and ALE continued until testing and remediation is complete.

- **Agreed to** - 60 companies - 92% of companies
- **Additional Explanations / Caveats** - The companies explained that they would still need to follow the wording in their policies regarding testing and cooperation, and noting that the requests from policyholders must be reasonable.
- **Did not agree** - Farmers group (five companies - Fire Ins. Exchange, Farmers Insurance Exchange, Foremost Insurance, Farmers Direct Property and Casualty, and Farmers Property and Casualty)

2. **60% payout on contents coverage without requiring an inventory (for owner-occupied primary residences)**

- **Agreed to** - 57 companies (88%) agreed to pay out at least 60%, with the remaining companies agreeing to pay out at least 50%
- **Additional Explanations / Caveats**
 - Three companies / groups - Amica, USAA group (Casualty Insurance, Garrison, General Indemnity and USAA), and Nationwide group (Allied Property & Casualty, Crestbrook, Nationwide Affinity, Nationwide Insurance Company, Nationwide Property and Casualty) - noted that they are already offering **75%** contents payout without an inventory.
 - The Allstate group (Allstate Fire and Casualty, Allstate Indemnity, Allstate Insurance Company, Allstate Property and Casualty, Allstate Vehicle and Property, Encompass Indemnity and Esurance) indicated that they will reassess closed claims that have not been paid 60%.
 - State Farm noted that because their contents coverage (Coverage C) is 75% of their Coverage A, their coverage is higher than most companies' Coverage C at 50%. By agreeing to pay out 50% of that Coverage C, the actual dollar amount paid is likely similar to other companies' payouts of 60%.
 - Two others - Liberty Mutual group (American Economy, Liberty Mutual Fire Insurance, Liberty Mutual Personal Insurance, LM Insurance Corp. and Safeco) and State Auto - noted that they already pay 50% in contents coverage.
 - **Not Applicable (N/A)** - Progressive Preferred (renters' insurance)

3. **Provide options for streamlining inventory documentation for total losses**

- **Agreed to** - 64 companies - 98% - Please see the explanation for State Farm below.
- **Additional Explanations / Caveats**
 - "We will allow 'grouping' for reasonable sub type categories (eg, short sleeved shirts, tshirts, sweatshirts, winter coats) versus grouping items into overly broad categories (e.g., clothes, electronics)." - Farmers Group (5 companies - Farmers Insurance Exchange, Farmers Direct Property & Casualty, Farmers Property & Casualty, Fire Insurance Exchange, Foremost)
 - "Evaluation of loss or damage to covered personal property resulting from the Marshall Fire may include additional customer service approaches such as interviews of all insureds, requests for information, and requests for supporting documentation." - Progressive Group (Progressive Preferred, American Strategic Insurance Corp.)

- “We currently advise the insured that they may group certain items, we will reserve the right that if there are questions concerning the grouping, we may request additional clarifying information.” - Colorado Farm Bureau
 - **State Farm** - State Farm responded by saying that they currently comply with this request. We will continue to work with State Farm to encourage them to streamline their processes further, and the Division looks forward to implementing the section of [HB22-1111 \(Insurance Coverage For Loss Declared Fire Disaster\)](#) regarding inventories, if that bill passes during the current legislative session.
- 4. Individual claims filed in the declared disaster will be treated as a single fire loss with one deductible.**
- **Agreed to** - 58 companies - 89% of companies
 - **Additional Explanations / Caveats**
 - “We will adopt this measure to the extent there is not another discernible loss. For example, damage to the home caused by moisture from rain/snow that occurred prior to the Insured having a reasonable opportunity to mitigate their loss after the fire occurred would be covered as a single occurrence. However, a theft of items from the property a week after the fire would be an example of two separate causes of loss where multiple deductibles would apply.” - American National Property & Casualty
 - “We agree that a loss in this situation would be treated as one loss. The prevailing deductible may not be the fire deductible. For example, if a homeowner sustained both smoke damage and wind damage, we could treat this as one loss but apply the highest applicable deductible. In some cases, that would be the wind deductible.” - Owners Insurance Company
 - **Did not agree** - Acuity, Chubb group (Bankers Standard, Federal Insurance Company, Great Northern and Vigilant), Owners, Privilege Underwriters a.k.a. PURE
- 5. No future adverse underwriting actions will be taken based in whole or in part on a claim filed as a result of the Marshall Fire and Straight Line Winds event.**
- **Agreed to** - All applicable companies - 100%
 - **Additional Explanations / Caveats** - “We will not take adverse underwriting action based solely on legitimate claims filed as a result of the Marshall Fire and Straight Line Wind Event associated with the Colorado disaster declaration issued by Governor Polis on December 30, 2021. However, due to system and resource constraints, we are unable to guarantee all applicable

policies will be addressed immediately. In these cases, we will request that our impacted customers contact us, which will allow us to manually update the policy once it is confirmed that the policy is an impacted policy.” - Progressive Preferred

- **Not Applicable (N/A)** - Berkeley Insurance Company - The Company has had only two claims that are unique and do not apply to this situation.

Still Have Questions or Concerns? Contact the Division of Insurance

Getting the insurance companies to do more to help the survivors of the Boulder County fires is significant, but we recognize that people will continue to have difficulties working through their insurance claims as well as questions about the processes. If you have questions about this information, or any other insurance matters, please contact the Consumer Services team at the Division of Insurance - **303-894-7490** / DORA_Insurance@state.co.us / doi.colorado.gov (click on “File a Complaint”).

Company Responses - Chart

While the homeowners’ insurance companies mostly committed to these changes, there was variation in their responses. In the table below, "YC" = "yes, with caveats." as the company offered an additional explanation or caveat with their response. You can view the [full list of all companies’ responses](#) on the Division's [Marshall Fire Response website](#).

Insurance Company Responses

| Companies | 1a) Smoke, soot, ash - clean / replace | 1b) Habitability testing / extend ALE | 2) 60% contents payout | 3) Streamline inventories | 4) Single deductible | 5) No Adverse Under-writing |
|-----------------------------|--|---------------------------------------|------------------------|---------------------------|----------------------|-----------------------------|
| Acuity | YC | Y | Y | Y | N | Y |
| AIG Prop & Casualty | Y | Y | Y | Y | Y | Y |
| Allied Prop. & Casualty | YC | YC | Y | YC | YC | YC |
| Allstate Fire & Casualty | Y | Y | Y | Y | Y | Y |
| Allstate Indemnity | Y | Y | Y | Y | Y | Y |
| Allstate Insurance Co | Y | Y | Y | Y | Y | Y |
| Allstate Prop. & Casualty | Y | Y | Y | Y | Y | Y |
| Allstate Vehicle & Property | Y | Y | Y | Y | Y | Y |

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|-----------------------------|----|----------|----------|----|----------|-----|
| American Bankers | Y | Y | Y | Y | Y | Y |
| American Economy | Y | Y | N | Y | Y | Y |
| American Family Connect | Y | Y | Y | Y | Y | Y |
| American Family Ins. Co. | Y | Y | Y | Y | Y | Y |
| American Family Mutual Ins. | Y | Y | Y | Y | Y | Y |
| American Modern | Y | Y | Y | Y | Y | Y |
| American National | Y | YC | YC | YC | YC | YC |
| American Security | Y | Y | Y | Y | Y | Y |
| American Strategic | YC | YC | Y | Y | Y | YC |
| Amica | Y | Y | Y | Y | Y | Y |
| Bankers Standard | Y | Y | Y | Y | N | Y |
| Berkley | Y | Y | Y | Y | Y | N/A |
| California Casualty | Y | Y | Y | Y | Y | Y |
| Casualty Insurance Co | Y | Y | Y | Y | Y | Y |
| Cincinnati Ins. Co. | Y | Y | Y | Y | Y | Y |
| Colorado Farm Bureau | Y | Y | Y | Y | Y | Y |
| Country Mutual | Y | Y | Y | Y | Y | Y |
| Crestbrook | YC | YC | YC | YC | YC | YC |
| CSAA General | Y | Y | Y | Y | Y | Y |
| Encompass | Y | Y | YC | Y | Y | Y |
| Esurance | Y | Y | YC | Y | Y | Y |
| Farmers Direct | Y | N | Y | YC | Y | Y |
| Farmers Insurance Exchange | Y | N | Y | YC | Y | Y |
| Farmers Prop. & Casualty | Y | N | Y | YC | Y | Y |
| Federal Ins. Co. | Y | Y | Y | Y | N | Y |
| Fire Ins. | Y | N | Y | YC | Y | Y |

| | | | | | | |
|------------------------------|----|----------|----------|----|----------|----|
| Exchange | | | | | | |
| Foremost | Y | N | Y | YC | Y | Y |
| Garrison | Y | Y | Y | Y | Y | Y |
| General Indemnity | Y | Y | Y | Y | Y | Y |
| Great Northern | Y | Y | Y | Y | N | Y |
| Hartford | Y | Y | Y | Y | Y | Y |
| Homesite Indemnity | Y | Y | Y | Y | Y | Y |
| Homesite Insurance Co. | Y | Y | Y | Y | Y | Y |
| Lexington | Y | Y | Y | Y | Y | Y |
| Liberty Mutual Fire Ins. Co. | Y | Y | N | Y | Y | Y |
| Liberty Mutual Personal Ins. | Y | Y | N | Y | Y | Y |
| LM Ins. Corp. | Y | Y | N | Y | Y | Y |
| Nationwide Affinity | YC | YC | YC | YC | YC | YC |
| Nationwide Insurance Co. | YC | YC | YC | YC | YC | YC |
| Nationwide Prop. & Casualty | YC | YC | YC | YC | YC | YC |
| Owners | Y | YC | Y | YC | YC | Y |
| Praetorian | Y | Y | Y | Y | Y | Y |
| Privilege (PURE) | Y | YC | Y | Y | N | Y |
| Progressive Preferred | YC | YC | N/A | Y | Y | YC |
| Safeco | Y | Y | N | Y | Y | Y |
| SECURA Ins. Co. | Y | Y | Y | Y | Y | Y |
| SECURA Supreme | Y | Y | Y | Y | Y | Y |
| Shelter General Ins. | Y | Y | Y | Y | Y | Y |
| Shelter Mutual Ins. | Y | Y | Y | Y | Y | Y |
| Standard Fire | Y | Y | Y | Y | Y | Y |
| Standard Guaranty | Y | Y | Y | Y | Y | Y |
| State Auto | Y | YC | N | YC | Y | Y |
| State Farm | YC | YC | YC | YC | Y | Y |

| | | | | | | |
|-------------------------|---|---|---|---|----------|---|
| Travelers Home & Marine | Y | Y | Y | Y | Y | Y |
| Travelers Personal Ins. | Y | Y | Y | Y | Y | Y |
| USAA | Y | Y | Y | Y | Y | Y |
| Vigilant | Y | Y | Y | Y | N | Y |

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About the Division of Insurance:

The [Colorado Division of Insurance](#) (DOI), part of the Department of Regulatory Agencies (DORA), regulates the insurance industry and assists consumers and other stakeholders with insurance issues. Visit doi.colorado.gov for more information or call **303-894-7499** / toll free **800-930-3745**.

About DORA:

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.