



**COLORADO**

Department of  
Regulatory Agencies

Division of Insurance

## Bulletin No. B-5.53

### Division Position Concerning Wildfire Smoke, Soot, Ash, Odor, and Char Damage Sub-limits

#### I. Background and Purpose

With the heightened public attention being paid to wildfire risk including the often devastating losses attributed to smoke, soot, ash, odor, and char damage Coloradans have the reasonable expectation that their residential property insurance policies cover smoke, soot, ash, odor, and char damage to the same degree that their policies cover fire damage.

Many policyholders are unaware of the full extent of damage caused by a wildfire, such as smoke, soot, ash, odor, and char damage. These types of damage can be nearly as catastrophic as total loss. The Colorado Division of Insurance (“Division”) is aware that some property and casualty insurers issuing residential property policies in Colorado include sub-limit(s) on wildfire smoke, soot, ash, odor, and char damage.

The purpose of this bulletin is to inform property and casualty insurers issuing residential property policies in Colorado of the Division’s position regarding sub-limits for wildfire smoke, soot, ash, odor, and char damage.

Bulletins are the Division’s interpretation 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 all admitted property and casualty insurers issuing residential property policies in Colorado, which includes renters’ and condominium insurance as well as homeowners policies as defined in section 10-4-110.6, C.R.S.

#### III. Division Position

Wildfire smoke, soot, ash, odor, and char damage are viewed by the Division as direct extensions of wildfire damage and thus including sub-limits for wildfire smoke, soot, ash, odor, and char damage has the capacity to undermine the essential protection Colorado policyholders reasonably expect to be provided by their residential property insurance policies. The Division expects insurers to refrain from including in their residential property policies such sub-limits and administer claims resulting from wildfire smoke, soot, ash, odor, and char damage accordingly.

#### IV. Additional Resources

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#### **IV. History**

Issued October 20, 2025