



**COLORADO**

Department of  
Regulatory Agencies

Division of Insurance

## **New Bulletin No. B-5.57**

### **Division Position Concerning Use of Aerial Imagery by Insurers in Decision Making**

#### **I. Background and Purpose**

Advances in technology have expanded insurers' use of aerial imagery as a tool to support insurance practices and help manage risk. However, aerial imagery has limitations and should not be treated as definitive or determinative on its own.

The purpose of this bulletin is to inform property and casualty insurers issuing policies in Colorado of the Division of Insurance's (Division) position regarding insurers' use of aerial imagery in underwriting, pricing, or claims decisions.

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 utilizing aerial imagery or aerial imagery derived data in decision making. It applies equally to tools and data developed and used internally by insurers as well as tools and data provided by third-party vendors.

#### **III. Division Position**

The Division recognizes aerial imagery as useful for evaluating property conditions and assessing risk when used appropriately. As such, the Division supports insurers' responsible use of aerial imagery as one of multiple assessment tools or data used during the course of underwriting, pricing, or claims decisions.

Insurers are expected to exercise reasonable care to ensure that aerial imagery relied upon is appropriate for the purpose for which it is being used. Insurers should consider the combination of spatial resolution, orthorectification method and quality, elevation modeling, capture date relative to the relevant event or condition, and surface-only limitations of aerial imagery when determining whether the aerial imagery reasonably supports the decision being made. When aerial imagery is incorporated into analytic tools or model outputs, insurers should ensure that the resulting decisions are reasonably supported by the information relied upon.

Aerial imagery sufficient for parcel-level identification or community risk assessment may not be sufficient to support decisions on property conditions or claims handling. Aerial imagery that requires significant enlargement, extrapolation, or inference may warrant additional

verification including physical inspection.

For general underwriting and rating purposes, aerial imagery should be no more than twelve (12) months old unless more recent conditions warrant updated verification. For claim determinations, imagery should be recent enough to capture post-loss conditions.

For the purposes of this bulletin, adverse actions may include underwriting or eligibility determinations, tier placement or rating impacts, coverage limitations or restrictions, nonrenewals, cancellations, and claim denials or reductions.

Visible conditions captured by aerial imagery, including those related to roofing, exterior surfaces, vegetation proximity, or other property features, should not be relied upon as the sole basis for adverse actions. Insurers should distinguish cosmetic conditions from conditions that reflect material degradation, functional damage, or deterioration that meaningfully affects a property's structural integrity or increases the likelihood or severity of loss. Adverse actions should be supported by evidence of degradation or damage rather than appearance alone.

Aerial imagery does not unequivocally establish the existence or severity of a condition therefore insurers should obtain additional reliable information before taking adverse action. The appropriate method of verification may vary based on the nature of the condition identified and the decision being considered. Additional verification may include updated imagery, documentation from qualified professionals, or a physical inspection as appropriate under the circumstances.

When aerial imagery does not clearly demonstrate the cause, extent, or severity of damage in a claim determination, insurers should conduct further investigation consistent with its obligation to conduct a prompt, fair, and reasonable claims investigation.

Policyholders and applicants impacted by an adverse action supported by aerial imagery should be given a meaningful opportunity to dispute the accuracy of aerial imagery, correct errors, provide updated information, and submit proof of completed repairs or remediation. Insurers should review information submitted by policyholders and applicants disputing the accuracy of aerial imagery and consider whether further evaluation or reconsideration is warranted.

Adverse actions derived from aerial imagery or aerial imagery based tools should be consistent with the insurer's filed underwriting criteria and rate filings.

#### **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](http://doi.colorado.gov)

#### **V. History**

Issued March 16, 2026