

# Wildfire Risk, Our Homes, and Our Health

## PART 2

Stakeholder Insights on Opportunities  
for the Insurance Industry and  
State and Local Agencies

NOVEMBER 2024



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**On the Cover:**  
Cameron Peak Fire, Northern Colorado, 2020



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Marshall Fire,  
Boulder County, 2021

## Introduction

*The Colorado Health Institute (CHI), with support from the Robert Wood Johnson Foundation and the Colorado Division of Insurance (DOI), has explored opportunities for the property and casualty insurance industry, as well as for government agencies and communities, to advance community wildfire resilience and improve homeowners insurance (referred to as “insurance” in this report) availability and affordability.*

The Robert Wood Johnson Foundation, the largest national philanthropy focused exclusively on health and health equity, identified the insurance industry as a source of additional investment in community development, given insurance companies’ roles as both significant asset owners and providers of critical insurance products and services.<sup>1</sup> The Foundation created a grant funding opportunity to expand knowledge of how to increase insurer investment in climate resilience and health equity, particularly for low-income communities and communities of color.

The purpose of this report, which builds on our foundational research (see *Wildfire Risk, Our Homes, and Our Health: Risk Analysis*), is to identify opportunities for the insurance industry and state and local partners to reduce wildfire risk and improve insurance availability and affordability. These opportunities are based on interviews with stakeholders, which include representatives from state and local government,

the insurance industry, wildfire mitigation organizations, and people impacted by wildfires. (See more on CHI’s methods on page 7.)

The findings in this report provide insights that can inform several audiences, including the insurance industry; state agencies and local organizations focused on wildfire mitigation, preparedness, response, and recovery; state legislators; county and municipal governments; and community members seeking to better understand the intersection between climate, health, and insurance.

This report aims to inspire action through evidence-based, expert-informed findings and opportunities. It is not intended to be a comprehensive set of recommendations, a policy agenda, or a roadmap. Additional conversations with stakeholders are needed to inform the creation of such a blueprint or agenda.

# Homeowners Insurance, Natural Disasters, and Health

## A Focus on Wildfire

Natural disasters, such as severe storms, wildfires, earthquakes, and drought, cause billions of dollars of insured losses in the United States annually. Nationally between 2019 and 2023, the annual value of insured losses from natural disasters ranged from nearly \$50 billion to over \$115 billion.<sup>2</sup>

Of these natural disasters, CHI's research focuses specifically on wildfire for two reasons.

- **Connection to health.**  
Wildfires affect both the insurance industry and the health and well-being of Coloradans (see The Connection at right).
- **Representation of Mountain West states.**  
CHI is one of six Robert Wood Johnson Foundation grantees nationwide, and the only grantee in the Mountain West. All other grantees represent coastal states and are focused on hurricanes and coastal flooding. The western half of the U.S. experiences much higher wildfire risk compared to other regions, so to contribute to the Foundation's collective knowledge of the intersection between climate hazards, insurance, and health, CHI's research focuses uniquely on wildfire.<sup>3</sup>

It is important to note that the biggest driver of insured losses is not wildfire, but severe convective storms — severe thunderstorms that can include heavy rainfall, strong winds, hail, and tornadoes.<sup>4</sup> Nationally between 2019 and 2023, severe convective storms caused between \$28 billion and nearly \$60 billion in annual losses.<sup>5</sup> By comparison, wildfire made up between \$680 million and \$16 billion in annual losses during this same time frame. Notably, Colorado is second in the nation for hail insurance claims, which is a major problem in this state.<sup>6</sup>

As such, the wildfire specific opportunities presented in this report should be taken into consideration along with solutions to mitigate hail damage to comprehensively address insurance availability and affordability challenges.

## The Connection

A home is a key factor in people's physical and mental health and well-being.<sup>7</sup> People spend most of their time at home. It's often their shelter and a safe space to sleep, eat, and recharge for the next day.<sup>8</sup> Homes also became some people's workspaces when the COVID-19 pandemic transformed work-from-home policies.

Wildfire and post-fire flooding, natural occurrences in Colorado's ecosystem, are threats to homeowners and renters across the state. These events can damage or destroy homes — disrupting or taking away a foundational piece of people's livelihood and often their largest source of wealth.<sup>9</sup> Damage can be visible, such as burned homes and communities, or harder to see, like wildfire smoke that has leached into residents' furniture, toys, and clothes, **creating hidden health threats.**

Not all communities and residents have opportunities to prepare for and recover from the aftermath of these natural disasters — creating or worsening health disparities. People facing multiple structural or systemic inequities, such as poverty, racism, or language barriers, may need additional resources to be resilient to the impacts of wildfire.<sup>10</sup>

## Homeowners Insurance and Flooding

Wildfires increase a community's risk for flash flooding and mudslides for up to five years.<sup>11</sup> Standard insurance policies do not cover flood damage and homeowners must seek external flood insurance, such as from the National Flood Insurance Program or private carriers. Issues related to flooding and insurance were outside the scope of CHI's research, which focused on standard homeowners insurance coverage.

**THE Durango HERALD**

**Durango Residents At A Loss  
As Homeowners Insurance  
Becomes Harder To Find**

**THE DENVER POST**

**Skyrocketing Home Insurance Rates, Loss of Coverage  
Roil Colorado's Strained Housing Market**



**Insurance Crisis That Started in  
Florida, California is Spreading.  
Your State Could Be Next**

**THE COLORADO SUN**

**Colorado Is Trying to Keep People Insured As  
Climate Disasters Mount. Here's How It's Going**

➤ Click headlines to read articles

## The Problem and the Opportunity

### What Is the Crisis?

“We’re on the cusp of a very significant crisis with insurance right now,” said Brett Lacey, Fire Marshal in Colorado Springs, one of Colorado’s cities most affected by wildfire.

Colorado is not immune to the insurance availability and affordability crisis impacting other states. Between January 2019 and October 2022, the average homeowner in Colorado saw a premium increase of about 52%.<sup>12</sup> Some residents are receiving non-renewals — when an insurance company decides not to renew the policy when it expires — and some insurance companies have decided not to write new policies in certain areas of Colorado.<sup>13</sup>

Underinsurance is another problem for homeowners. After the Marshall Fire in Boulder County destroyed over 1,100 homes in 2021, DOI estimated that the average amount of underinsurance per policy was between \$98,967 and \$242,670 (based on rebuilding costs of \$250 to \$350 per square foot).<sup>14</sup> This means that the insurance payout for a number of homeowners was not enough to repair or replace their home.

Insurance availability and affordability challenges are also putting pressure on affordable housing operators. Owners of market-rate rental housing

can pass increased insurance costs onto tenants, but many affordable housing operators have limits to how much they can charge in rent.<sup>15</sup> Rising insurance premiums may make it difficult to maintain affordable housing developments.

### How Did We Get Here?

Colorado and the nation are experiencing insurance challenges due to four key factors.

#### ► *Increasing Climate Disasters*

Natural disasters, including severe convective storms, tropical cyclones, and wildfire, have resulted in significant economic losses. Nationally, insured losses from severe convective storms have risen by approximately 8% annually between 2008 and 2024.<sup>16</sup> In addition, wildfires have increased in size, frequency, and intensity in recent decades because of a combination of human activity, a changing climate, and certain forest management practices.<sup>17</sup> As a result of these various climate-related disasters, insurance companies have been losing money.<sup>18</sup> Over the past 10 years, insurance companies in Colorado have lost an average of 13% on the property insurance market, and much more than that in some years.<sup>19</sup>

The combination of damage caused by wildfire and hail makes Colorado properties costly to insure and contributes to affordability and availability challenges for homeowners.

### ► *Rising Reinsurance Rates*

Insurance companies have insurance too, called reinsurance, where the insurance company transfers risk to the reinsurance company in a contract between the two. Reinsurance is an essential tool insurance companies use to manage risks.<sup>20</sup>

Reinsurers are reducing their exposure to risk or increasing their premiums due to the increasing frequency and severity of climate disasters, which results in higher premiums for homeowners as insurance companies face rising reinsurance costs.<sup>21,22</sup>

### ► *Wildfire Risk Paired With Increased Development in Risky Areas*

Nationwide, projections suggest that the area burned due to wildfire will double to 20 million acres per year by 2050.<sup>23</sup> In Colorado, the area burned is projected to increase five-fold by 2050.

At the same time, the number of Coloradans living in wildfire-prone areas has increased and will continue to grow with climate change. The number of homes in the [wildland urban interface](#) — the areas where structures and other human development meet or intermingle with wildland vegetation — is expected to grow from 300,000 to 720,000 between 2021 and 2030.<sup>24,25</sup>

Amplified wildfire risk paired with growth and development in fire-prone areas means greater potential for loss of both property and human life.

### ► *Higher Building Costs*

Insurance companies are increasing premiums because everything they pay for is going up in cost, from building materials to labor.<sup>30</sup> In addition, construction costs often rise after a disaster because the price of building materials and construction labor increase due to demand.<sup>31</sup> This is especially true when entire communities are trying to rebuild at the same time. In short, higher building costs for insurance companies mean higher costs for insurance customers.

## DIVING DEEPER

### The Relationship Between Wildfires and Urban Fires and What It Means for Mitigation

Several of the most devastating fire disasters of the past century, including the 2021 Marshall fire (Boulder County, Colorado), 2023 Lahaina fire (Maui, Hawaii) and 2018 Camp fire (Paradise, California), were near communities, occurred during extreme wind events, then inflicted damage as urban conflagrations — an uncontrolled fire that spreads rapidly through communities.<sup>26,27</sup> Through radiation, direct flame contact, and ember exposures, these large, destructive fires transition from wildlands into urban areas.<sup>28</sup>

Society largely regards these events as wildfires that involved houses, but experts suggest it is important to have the right framing — that these were really urban fires initiated by wildfires.<sup>29</sup> This distinction matters because it has implications for how we prepare for and mitigate future fires.

What does this mean? Colorado communities can't rely solely on federal and state land-management agencies for wildland fuels management and suppression response. Local governments and individual homeowners play a critical role in improving community resilience by reducing the risk of structure-to-structure spread. Stronger public and private partnerships, such as those with insurance providers, homeowners, and local and state governments, can further encourage and incentivize risk-reduction measures at the individual and neighborhood scale.



Alexander Mountain Fire, Loveland, 2024

## What Is the Opportunity?

Colorado's way forward is to put forth collaborative, science-based, comprehensive approaches to mitigate the risk of and damage from climate hazards. This report specifically focuses on wildfire, although Colorado must also consider approaches to minimizing hail-related damage.

***“There’s no silver bullet to all of this. But if we are looking at solutions together, we’re more apt to come up with some longer-term solutions. Wildfire is one of those risks that the science and research shows us, we do have the odds in our favor to bring the risk down,”*** said Carole Walker, Executive Director at Rocky Mountain Insurance Information Association (RMIIA).

Stakeholders told CHI that Colorado can leverage data and research from organizations such as Headwaters Economics and the Insurance Institute for Business and Home Safety (IBHS) — both of which are independent, nonprofit research groups that have done extensive studies of natural hazards.

A state agency representative told CHI that the way out of this problem is to “put our collective heads together to come up with solutions, and not just a single solution, but addressing different pieces to develop a comprehensive approach.” Reducing the risk of climate hazards and protecting homes are top of mind for the insurance industry and state and local partners alike. Coloradans can make strides by working toward this common goal together. This report provides specific actions to advance this work.

## Methods

Between March and May 2024, CHI conducted 22 interviews with 31 people representing state, county, and municipal agencies and departments; state legislators; insurance carriers and associations; wildfire mitigation organizations; Realtor associations; the housing industry; and people impacted by wildfires.

CHI asked stakeholders about strengths and gaps in current wildfire mitigation efforts, and opportunities for government agencies and the insurance industry to enhance community resilience to wildfire.

CHI conducted, recorded, and transcribed the virtual interviews with stakeholder consent. CHI team members used qualitative data software to code and analyze interviews and identify themes throughout the transcribed interviews. Using inductive coding, CHI's research began with consensus coding (coding the same transcript and comparing results) to refine codes, then used split coding (dividing transcripts and coding them separately) once the team established an agreed-upon set of codes.

Several state agency representatives (including the Division of Insurance and the Office of Climate Preparedness and Disaster Recovery), local wildfire mitigation experts, and insurance industry representatives reviewed this report between September and October 2024.




## Findings

### How to Read This Section

CHI's research and analysis identified four key opportunity areas:

- **Standardization**
- **Data and transparency**
- **Education and awareness**
- **Funding**

Within each of these opportunity areas, CHI provides specific examples. These examples have implications for state agencies, the insurance industry, and local governments and organizations, as indicated by the following icons:

-  **State agencies and policymakers**
-  **Insurance industry**
-  **Local governments and organizations**

### Standardization

#### *Using Mitigation Factors for Assessments and Rates*

Many insurance companies use the outputs from third-party models to assess risk and determine rates. Stakeholders described these third-party models as a “black box” — that is, there is little transparency into these algorithms and the factors on which they are built.

#### **Create standards for the use of mitigation factors in insurance industry assessments and rating plans.**

Colorado could consider standardizing some of the factors — such as parcel and community-level mitigation factors — that risk assessments must consider. Without standardization, communities and homeowners that reduce their wildfire risk may not see that work translate into better insurance availability.

Stakeholders emphasized that Colorado needs to work collaboratively with the insurance industry to maintain insurance availability. As such, the state must carefully consider the impact of additional regulations. However, increasing standardization through incentive-based initiatives in a non-punitive environment for insurance carriers may reduce risk while maintaining a favorable regulatory environment.

Colorado has a precedent for specifying factors that insurers must consider in determining costs — reconstruction costs, specifically. In 2023, the Colorado Division of Insurance brought forward [House Bill 23-1174 Homeowner's Insurance Underinsurance](#), which mandates a list of factors that insurers must consider as a basis for establishing the reconstruction costs of a home.

### SPOTLIGHT


The California Department of Insurance requires insurance carriers to integrate 12 mitigation factors into their rating plans, assess the impact of these variables on their rates, develop a compliant rate plan, and communicate these changes to consumers. The 12 required factors include community-level mitigation factors (such as **Firewise USA**<sup>®</sup> designation), property-level mitigation factors (such as vegetation and defensible space), and structure-level mitigation factors (dual pane windows and fire-resistant vents).

Through these requirements, California aims to “foster resilient communities and eventually lower insurance rates by incentivizing [homeowners] to adopt risk mitigation actions.”<sup>32</sup>



## Scaling Home Certification Programs

Coloradans have access to a number of programs that offer resources to reduce wildfire risk. These resources often include free property assessments, outreach and education, and certifications that insurance companies accept as proof of required fire mitigation. However, it is critical that insurance companies incorporate these efforts into their models and provide that information to homeowners.

 **Explore expanding and standardizing home certification programs for wildfire mitigation.**

[Wildfire Partners](#) is Boulder County's mitigation program that aims to create wildfire-resilient communities. The program provides individual property assessments, a customized report with a personal mitigation checklist, and certifications for homeowners that have completed their checklist and passed inspection. The Wildfire Partners certification is recognized by a number of insurance companies and aids homeowners in acquiring or retaining homeowner's insurance.

If Colorado were to adopt a set of standards for home certification programs in collaboration with the insurance industry and wildfire mitigation specialists, it may aid in expanding the reach of programs like Wildfire Partners, as well as program recognition among insurance companies. California has a statewide program called [Wildfire Prepared Home](#), which is an IBHS program for homeowners designed to reduce wildfire risk by reducing the chance a home ignites during a wildfire. IBHS is a widely known and respected organization, especially within the insurance industry. Colorado may consider adapting this program and coordinating with existing local wildfire mitigation programs.

*One stakeholder said, “We have a big opportunity ... my dream is that we take the good community programs based on IBHS, and we somehow then put the steam of IBHS behind them.”*

## DIVING DEEPER

### Enhancing Community Safety and Resilience From Wildfires Through Codes and Standards

Many stakeholders told CHI that statewide building codes can be an effective strategy to mitigate the impacts of wildfire, and would make Colorado more competitive for millions of dollars in Federal Emergency Management Agency (FEMA) grants to protect communities against wildfire and other disasters.<sup>33</sup> The **Building Resilient Infrastructure and Communities (BRIC)** grant, designed to help communities reduce their hazard risk, has 'plus-ups' funding (up to \$2 million per state) for carrying out eligible building code adoption and enforcement activities.

The **Colorado Wildfire Resiliency Code Board**, established through **Senate Bill 23-166**, aims to help enhance community safety and resiliency from wildfires through the adoption of codes and standards. The Board is tasked with adopting model codes that governing bodies with jurisdiction in the wildland-urban interface must meet or exceed. Code adoption will be effective by June 30, 2025, and will apply only to new construction and significant renovations.

Wildfire-resistant construction and wildfire-focused building codes are among the most effective strategies for community wildfire risk reduction.<sup>34</sup> Building codes save homes and money — an analysis from the IBHS concluded that \$300,000 of mitigation spending saved the city of Colorado Springs \$77,248,301 in losses during the Waldo Canyon Fire in 2012.<sup>35</sup>

Statewide codes and standards can offer cost savings and better protected communities. A Headwaters Economics and IBHS study found that the cost to build a home with wildfire-resistant construction added 2%-13% to the entire cost of a new home compared to that of a traditional home.<sup>36</sup> Stakeholders told CHI that home hardening – reducing structural ignitability – should be encouraged for new construction, for homeowners to build back better after a disaster, and for existing structures.<sup>37</sup>

## Creating Thresholds for Smoke-Damaged Homes

Fires may destroy homes in their path and cause significant smoke damage to structures that remain standing. Smoke, ash, and soot from a fire can deposit harmful matter onto furniture, walls, floors, and other surfaces, posing a risk to human health.<sup>38</sup>

After the Marshall Fire, residents whose homes were still standing but suffered smoke damage had many unanswered questions. What level of smoke damage is unsafe? How do I remediate smoke damage? The inability to answer these questions was largely due to a lack of national standards.

Researchers from Northern Arizona University interviewed over 50 professionals and residents with smoke damage and total losses from the Marshall Fire.

*One resident said, “There’s no standards for this type of remediation. There are no standards for testing. There are no standards for any of it. Everybody’s just making it up as they go along. Our adjuster actually told us that it’s the first time he or anybody in his specific group has ever dealt with a smoke damage case.”<sup>39</sup>*

As a result, “You often have this dynamic of expert versus expert. The industrial hygienist that the insurer hired versus the one that the homeowner [hired],” said a nonprofit insurance communications representative.

### Develop smoke remediation and indoor air quality standards.

CHI interviewed a person whose home sustained smoke damage in the Marshall Fire. Their story illustrates the need for remediation standards.

*“[The insurance company] insisted on having our couch cleaned twice before they would replace it. We have since learned that if you bring someone out to clean the couch with a wet vacuum, it actually brings out the smoke odor even more. This is supposedly known among people who do fire remediation, but apparently the company that the insurance company insisted come out to do the cleaning didn’t know that. So they came out and cleaned it twice, and we had to go*

*through this whole song and dance just to get our couch replaced, even though all the information said that soft contents like mattresses and couches can’t really be cleaned ... We had one remediation company come out and the guy took the soot between his fingers and said ‘see, it’s harmless, it’s fine’ but then we had others who were like ‘oh my god, everything is covered [in soot], you can’t live here.’ So there are a lot of inconsistencies.”*

Colorado needs standards for the remediation process, as well as standards around habitability related to air quality. Fortunately, a few related efforts are underway.

## SPOTLIGHTS

The Institute of Inspection Cleaning and Restoration Certification is developing a national standard (called the **BSR/ IICRC S760 Standard for Professional Wildfire Investigations and Restoration of Impacts to Structures, Systems, and Contents**) that will provide a specific set of national, practical principles, methods, and processes to evaluate and restore the interior and exterior of structures and contents and personal property impacted by wildfire smoke emissions. The standard will also establish methods and processes to evaluate, restore, and verify the cleanliness of structures and contents damaged from wildfire smoke.

In 2024, the DOI brought forward **House Bill 24-1315**, which requires a study of remediation practices for residential properties that have been damaged by fire. The study will identify existing practices and standards for inspection, testing, and remediation; recommendations for uniform remediation standards; and existing indoor air quality health and safety standards for habitability of a home after sustaining damage from a fire. DOI must submit a findings report by January 1, 2026.

## Data and Transparency

### Assessing and Mitigating Risk

Insurance companies need to assess risk, that is, the possibility of a loss.<sup>40</sup> Underwriting is the process that insurers use to make these determinations. It includes a comprehensive risk assessment that evaluates factors such as the property's location, construction materials, risk of natural disasters, and proximity to fire stations or flood zones.<sup>41,42</sup>

Underwriters use predictive wildfire risk models as part of this risk assessment. These models include factors such as fuel, terrain, wind, drought, mitigation measures, and building characteristics.<sup>43</sup>



#### Increase information sharing between insurance companies and consumers.

Information sharing between insurance companies and homeowners can improve risk management — the process of identifying, assessing, and controlling risks.<sup>44</sup> Insurance companies, however, are often reluctant to share proprietary risk assessment methods and algorithms (or companies may be prohibited from sharing this information if accessed through third-party vendors), and homeowners are often reluctant to share data with insurance companies for fear that doing so will negatively impact their cost and level of coverage.<sup>45</sup>

*A community wildfire mitigation specialist said, “It’s all smoke and mirrors and proprietary information and arbitrary brush [vegetation] scores and things we don’t know. So, a good best practice would be to share on both sides and open up the communication in a non-punitive environment for homeowners, because we’re collecting a ton of data down to a very granular level.”*

With greater transparency, consumers could take informed actions to mitigate their risk, and insurance companies could have access to more granular data regarding mitigation efforts. Local agencies and organizations could also use this information to help consumers with the most cost-effective mitigation activities through technical assistance.

Many stakeholders brought up issues with transparency and information sharing, but finding actionable solutions will require additional research and collaboration. This is an area of opportunity for Colorado to explore further.

## Education and Awareness

### Encouraging Behavior Change

All stakeholders agreed that Colorado needs to increase awareness of wildfire risk and encourage mitigation among homeowners in wildfire-prone areas.



#### Expand awareness campaigns.

Organizations have ongoing wildfire campaigns, but they aren't reaching all populations who need the information. Sarah Thorsteinson, CEO of Altitude Realtors and 2024 Chair of Colorado Project Wildfire for the Colorado Association of Realtors, cited the need for a massive state campaign promoting wildfire resilience initiatives, similar to the U.S. Forest Service's Smokey Bear campaign.

### SPOTLIGHTS

The Colorado State Forest Service, Colorado Division of Fire Prevention and Control, U.S. Forest Service, and Colorado State Fire Chiefs came together to create the Live Wildfire Ready campaign. The tool includes a wildfire risk viewer, resources for wildfire preparedness, and a list of local resources. In addition, the website provides a checklist of low-cost actions to reduce wildfire risk. As the **Live Wildfire Ready** website notes, “It is ultimately your responsibility to protect your home and property from wildfire. But wouldn't you do anything to protect your everything?”

#### **Wildfire Community Preparedness Day**

is a campaign that encourages people and organizations everywhere to come together on a single day to take action to raise awareness and reduce wildfire risks. It is held annually in the U.S. and Canada on the first Saturday in May. The National Fire Protection Association organizes the campaign, which is sponsored by State Farm.

## Grow community outreach efforts.

In neighborhoods where homes are more tightly packed together, reducing wildfire risk is both a community and individual homeowner effort.

*An insurance industry representative said “if you mitigate your home, [it] doesn’t mean you’re going to be okay if your neighbor doesn’t do theirs. So you have this community effect, too.” Community-wide wildfire mitigation efforts are essential to reduce the risk of urban conflagration. Carole Walker, Executive Director at RMIIA, stated that insurance companies will still do an assessment of each home to determine rates, but “we need to pay attention to the community-wide [efforts]. Because that’s what insurance companies are going to respond to.”*

To jumpstart community efforts, community mitigation managers said that you need “a leader or a handful of leaders in a community who are already aware and engaged, a little bit knowledgeable, and, you know, respected.” Outreach can also happen in community gathering spaces, such as community centers and firehouses, or at community events, such as [First Fridays](#) in Silverthorne.

While community-level mitigation benefits residents by reducing their risk, homeowners want to know if these efforts will also improve insurance availability and affordability. Incorporating community-level mitigation factors into the models that insurance companies use could be a powerful incentive to drive local action.

## *Moving From Research to Action*

Many wildfire mitigation and recovery topics have been heavily researched, but the challenge is getting the right information in front of the right people in a way they can understand and make use of it. Stakeholders raised the need for easily accessible recovery resources, in particular. And, despite the growing body of research, stakeholders said that gaps in their understanding remain.

## Develop ready-made recovery resources.

An insurance representative said that after every fire, communities “really are having to build things from the ground up, and so there are ways we could capitalize on the knowledge that we have in this state.” As wildfires continue to increase in frequency and severity, it is essential to make sure communities have the information they need readily accessible to begin the recovery process.

## SPOTLIGHT

Collaborations for expanding neighborhood mitigation and outreach efforts exist at national, state, county, and industry levels.

- IBHS has created a **Suburban Wildfire Adaptation Roadmap**, which lays out specific strategies on how to build a community with reduced wildfire risk.
- Fire Adapted Colorado’s statewide **Neighborhood Ambassador Approach, Wildfire Partners** (Boulder County), and **Wildfire Adapted Partnership** (Southwest Colorado) support individual and collective action to promote wildfire resilient communities.
- Realtors also provide wildfire mitigation information to homeowners. The **Colorado Association of Realtors’ Colorado Project Wildfire** provides resources and education to members about protecting lives and property from wildfire. **Altitude Realtors** provides education directly to homeowners through a wildfire mailer, which includes information on local **chipping programs** that provide free disposal for branches, logs and small trees. Altitude Realtors also has grant opportunities available to offset the cost of mitigation on properties. **REALFire®** is a wildfire risk reduction program managed by Eagle County, in collaboration with the Vail Board of Realtors, that provides free property assessments to identify ways to reduce risk.

## © Expand research and resources on grasslands management.

Every Colorado county has experienced at least one wildfire since the early 1990s, including in grassland areas, yet there is far less research and understanding about grasslands management compared to forest management.<sup>46</sup> The Colorado State Forest Service has developed a literature synthesis and technical review of grasslands management.<sup>47</sup> The state should consider disseminating these findings in ways that are easy to understand and access.

### *Helping Homeowners With Insurance Decisions*

Insurance companies have a responsibility to help homeowners understand their coverage options, and they are well positioned to share information about their wildfire risk scores and steps to reduce risk.

## © ↑ Increase homeowner support.

The insurance landscape is confusing, and homeowners want help understanding their insurance needs and ensuring they are disaster ready. Many stakeholders agreed that increased support from insurance companies and the state could encourage mitigation and reduce the underinsurance problem homeowners face. Making sure homeowners have the information and opportunity to find adequate insurance can help with high rebuilding costs after a wildfire.

*A state office representative suggested that there be “requirements on the insurers to do X, Y, Z twice a year ... for instance, the insurer has to sit down with [the homeowner] once a year and go through your policy.”*

## DIVING DEEPER

### Resources for Homeowners

For homeowners wondering how to reduce wildfire risk to their property and understand their insurance, there are a number of resources to get started.

- **DOI** has resources to help homeowners understand their insurance needs and ensure they are disaster ready. These include guidance for creating a home inventory, understanding your policy, and understanding the claims process.
- **United Policyholders**, a nonprofit organization that serves as a trustworthy source of information and consumer advocacy group, also has a number of resources for recovery, preparedness, and more. Resources include the **Colorado Home Insurance Check UP: Questions to Ask Your Agent/Broker and Shop Smart Colorado: Tips for Insuring Your Home**.
- National, state, and local agencies and organizations created the **Colorado Property and Insurance Wildfire Preparedness Guide**, which has resources for creating defensible space, reducing structural ignitability, and insurance considerations.



Marshall Fire,  
Boulder County, 2021

## Funding

### Implementing Grant Program Changes

Stakeholders identified two key opportunities that would improve grant programs for wildfire mitigation efforts.

**© Increase funding to create wildfire-resilient homes.**

Reducing vegetation within 100 feet of a home in combination with using wildfire-resistant building materials is essential in reducing structural ignitability of a home.<sup>49</sup> However there are relatively few resources to support these activities. The Colorado Wildfire Resilient Homes Grant program provides financial support to homeowners to reduce structural ignitability of their home. However, the program had a small budget (\$100,000 for the 2023-2024 state fiscal year) and a limited statewide impact.<sup>50</sup>

Stakeholders said homeowners associations (HOAs) and homeowners need greater access to grant funding for mitigation work. Survey research suggests that even when people are aware of the need for home hardening, the most powerful barrier to more aggressive actions on private land is the expense.<sup>51</sup> According to Wildfire Partners' 10-year metrics, the average cost for households who obtained certification through the program was over \$7,300.<sup>52</sup>








## DIVING DEEPER

### The Impact of TABOR

As this section focuses on funding, it is worth noting that the state of Colorado and many local governments face unique challenges in raising and spending revenue because of the Taxpayer's Bill of Rights, or TABOR. TABOR is considered by some to be the strictest spending and tax law in the country.<sup>48</sup> As part of TABOR, any tax policy change that increases revenue for a government must be voted on at the ballot; government spending is limited by a formula and any general tax revenue collected over that formula must be refunded to taxpayers; and certain taxes are prohibited. For many local governments, spending caps no longer apply, as voters have eliminated them in 51 of 64 counties. However, the other TABOR provisions apply.

In short, while raising and spending additional funds is possible, it is uniquely difficult in Colorado.

**Figure 1. Funding for and Effectiveness of Community Wildfire Risk Reduction Strategies<sup>54</sup>**

Available Funding	HIGH	 Supression		
	MEDIUM	 Managed Wildfire	 Fuel Treatment on Public Land	 Prescribed Fire
	LOW		 Fuel Treatment on Private Land	 Zoning and Land Use Planning  Building Codes
		LOW	MEDIUM	HIGH
Effectiveness at Community Risk Reduction				

Adapted from [headwaterseconomics.org](http://headwaterseconomics.org)

This issue isn't unique to Colorado. Nationally, funding models for community wildfire risk reduction are imbalanced. According to Headwaters Economics and the Columbia Climate School, the most effective strategies for reducing community wildfire risk — those that manage the built environment — receive the least funding, while less effective strategies — such as suppression or fuels management strategies — receive the most (see Figure 1).<sup>53</sup>

If Colorado wants to encourage more homeowners to reduce wildfire risk to their land and homes, it's going to need robust, sustained grant programs.

### Expand grant programs' allowable costs.

Stakeholders told CHI that grant programs for local communities need to support personnel costs for providing outreach, education, and technical assistance.

*When reflecting on the success of their program, a community wildfire mitigation manager said, “Frankly, it’s the hand-holding or customer service, if you will, that has made it successful. We’re available to work with people and help them get past their HOA or design review board, to provide certificates and work with their insurer, coordinate with Realtors, and provide cost-share assistance ... so we have [staff] attached to everything we do. ... The funding is great, but it’s got to fund people to make the projects and programs happen.”*

### Improving the User Experience

Stakeholders said that grant programs for wildfire mitigation are spread across multiple agencies and have different applications, making it complicated for the end user to navigate. In addition, stakeholders identified challenges with the cost-share reimbursement structure of many grants, meaning people and communities must be able to cover the costs up front, submit receipts, and wait for reimbursement for a portion of the total cost.

### Make grant programs more user-friendly.

In response to confusion about grant application and administration, in 2021 [Senate Bill 21-258 Wildfire Risk Mitigation](#) directed the Department of Natural Resources, Colorado State Forest Service, and Colorado Division of Fire Prevention and Control to determine the most effective structure of mitigation efforts. The resulting assessment, [Organizational Analysis of State Supported Wildfire Mitigation Efforts in Colorado](#), began detailing the grant capabilities of the included agencies. Continuing these efforts in 2024, the Wildfire Matters Review Committee brought forward [House Bill 24-1006 Assist Rural Community Wildfire-Related Grant Application](#), which directs the Colorado State Forest Service to establish a grant navigator program for those working with rural communities. Stakeholders suggested that the state consider a central application for rural and urban applicants across the state, as well.

*A state agency representative told CHI that “[cost share reimbursement] is where we do run into some issues. Not everybody can front the money for that ... and unfortunately, we just end up treating people’s properties who have the means. ... We need to reach folks that are underserved, too.”*

The state may consider approaches to alleviate the burden on homeowners through different funding structures or by partnering with local, higher-capacity entities (such as conservation districts, nonprofits, or homeowners associations) who could redistribute funds to individual homeowners. However, some federal and state grants have fiscal rules that limit flexible funding, further complicating funding structures.

## Leveraging Local Solutions

In addition to support through national and state agencies, local communities have successfully generated their own funds for mitigation.

### Explore financing mechanisms for mitigation work.

Stakeholders told CHI about three communities that have raised funds to support wildfire mitigation efforts — each with a different approach, but all with voter support. Communities seeking to raise additional funds for mitigation activities may consider these strategies:

- In 2018, Summit County voters passed a mill levy on properties creating the Strong Futures Fund to finance early childhood care, behavioral health programs, fire mitigation, and recycling and public infrastructure.<sup>56</sup> In its 2023 annual report, the county reported spending about \$1.5 million for fire mitigation.<sup>57</sup>
- In 2021 the City of Colorado Springs' revenue exceeded limits allowed under the Colorado Taxpayer's Bill of Rights. In November 2021, Colorado Springs residents voted to allow the city to keep \$20 million of the excess revenue to create a permanent Wildland Fire Mitigation Fund to be used by the Colorado Springs Fire Department for wildland mitigation efforts.<sup>58</sup>
- In November 2022, voters in Boulder County passed a 0.1% Wildfire Mitigation Sales and Use Tax. The tax went into effect on January 1, 2023, and the county collected \$8.9 million in the first year.<sup>59</sup>

A prescribed burn at Rocky Mountain Arsenal.



## SPOTLIGHTS

### **The Forest Restoration and Wildfire Risk Mitigation Grant Program**

(FRWRM) provides funding through competitive grants that encourage community-level actions across the state to:

- Reduce the risk of wildfire to people, property and infrastructure in the wildland-urban interface.
- Promote forest health and forest restoration projects.
- Encourage use of woody material for traditional forest products and biomass energy.

Eligible entities include local community groups, local government entities, utilities, state agencies, and nonprofit groups. The state matches 75% of the total cost for less economically resourced areas and 50% for all others.<sup>55</sup>

Additional information about grant programs is available through the Colorado State Forest Service website:

<https://csfs.colostate.edu/grants/>

### **The Colorado Strategic Wildfire Action Program**

(COSWAP) supports wildfire risk reduction through two programs:

- **Workforce Development Grant.** Provides entry-level training opportunities and experience for individuals interested in forestry and wildfire mitigation.
- **Landscape Resilience Investment Program.** Provides funding in targeted mitigation projects in strategic focus areas.



## SPOTLIGHTS

### **Senate Bill 24-194 Special District Emergency Services**

**Funding** authorizes special districts that provide emergency services to impose an impact fee on certain new construction and to levy a sales tax to generate additional revenue for district services. Importantly, a fire district may waive this impact fee on the development of low- or moderate-income housing or affordable employee housing. This law will allow fire districts to generate additional funding, and a stakeholder told CHI that many are looking to use these additional funds to finance wildfire assessments for homeowners.

### **House Bill 22-1011**

#### **Wildfire Mitigation**

#### **Incentives for Local**

#### **Governments** establishes

a grant program that provides state funding assistance for forest management or wildfire mitigation efforts to local governments.



Alexander Mountain Fire, Loveland, 2024

## Conclusion

Colorado has an opportunity to simultaneously improve insurance availability and affordability and to reduce wildfire risk to its communities. The state has many strengths to leverage. These include strong partnerships and collaboration; dedicated agencies, legislators, and local organizations; robust programs; and leading experts. While wildfire remains a significant concern, taking a comprehensive approach to improving insurance availability and affordability will require addressing other climate hazards, such as hail. Findings and opportunities in this report are meant to inform and inspire next steps to continue supporting people, their homes, and their health.

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