

Wildfire council makes sense of insurance

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▶ According to research surveys from Delta County and Log Hill Mesa, over half of the homeowners have insurance but aren't sure if wildfire risks impact their policies and premiums. In an effort to make sense of a complicated system, the West Region Wildfire Council hosted a panel discussion with insurance agents on Thursday, Nov. 13.

"Colorado has really gotten to be a tough market right now," said American Family Insurance agent Daniel Shaw.

Shaw was joined by Karon Jacobs, agent for Western Group Inc., on the panel and discussed how wildfire hazards are assessed in Western Slope homes.

According to Jacobs, many companies use information from CoreLogic's — an analytics corporation — wildfire risk report. The report helps insurers determine a property's risk of wildfire by scor-

ing homes from one to 100 (low to high risk).

Properties receiving a score between one and 51 are typically low-risk and generally are found in urban areas;

scores from 51 to 80 have a wildfire risk and are looked at more closely by underwriters; and those properties that score higher than 81 are at the highest risk of wildfire and are automatically declined and ineligible for coverage.

Jacobs noted that many homes in Ouray are scored in the high risk category. Even if a home is located in the downtown area, it's difficult to insure because of the risk factor. Reviewing CoreLogic's assessment, companies are under the impression that if one fire starts on one property, the entire town will burn, said

Shaw.

However, Shaw noted that the assessment is not at all perfect. He cited one property he worked with in Ouray, which ranked over 90 on the assessment, was inaccurately identified on the map.

Even though many insurance companies turn to CoreLogic for its reporting, some aren't convinced that it is the only tool available. WRWC Director Lilia Falk said that she will be researching other

possible assessment tools that might help companies and policy holders.

"The West Region Wildfire Council wants to promote wildfire risk reduction. I don't know that the insurance industry is the solution for fixing issues in Ouray County, but it seems loud and clear that doing mitigation work and taking action can not only reduce risks but can also have an impact on premiums," said Falk.

From the meeting, the WRWC is looking to build partnerships with local insurance companies to provide information on wildfire risk reduction to policy holders. Some ideas for spreading information include packets that provide tips on how new policy holders can lower risk of wildfire on their properties.

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*Daniel Shaw,
American Family
Insurance*

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