

STATE OF COLORADO

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John W. Hickenlooper
Governor

B 2013-002

EXECUTIVE ORDER

Creating the Task Force on Wildfire Insurance and Forest Health

Pursuant to the authority vested in me under Article IV, Section 2, of the Colorado Constitution and the laws of the State of Colorado, I, John W. Hickenlooper, Governor of the State of Colorado, hereby issue this Executive Order creating the Task Force on Wildfire Insurance and Forest Health.

I. Background and Purpose

More than 25 percent of Colorado's population lives in the so-called wildland-urban interface, the area where homes intermingle or are in proximity to forested lands. It is estimated that 40 percent of new residential development in the state is at risk to the threat of wildfire. Through decades of experience with destructive fire and scientific study, there are a variety of actions and strategies that can be undertaken to help reduce the loss from wildland fires and thereby protect communities, first responders and investment from wildfire.

The 2012 wildfire season has taken a devastating toll on Colorado residents, tragically killing six people directly and burning more than 600 homes and the personal property housed therein. While the claims and rebuilding process continues, preliminary damage estimates now total \$449.7 million from insurance claims that include smoke damage, additional living expenses, damaged and destroyed homes, as well as damage to personal belongings and vehicles. This Task Force will look at how to best protect citizens who live in the wildland-urban interface and protect Colorado's landscape, which is a critical element of the state's economic health.

Issues have arisen regarding insurance coverage for property damaged by the fires that occurred in 2012. These issues include the replacement costs for destroyed homes, relocation assistance for evacuated residents and those who lost homes, accounting for lost personal property, and the timing of insurance benefits. These experiences present an opportunity to explore potential insurance products that can be tailored specifically to areas like the wildland-urban interface that present special natural hazards. In so doing, insurance coverage can help incentivize actions, practices and policies that can lead to reduced losses and better understanding of coverage by policyholders.

Providing such insurance coverage would also promote state and local activities that would promote forest health and reduce wildland fire threats. These could include vegetation treatment activities

around homes (defensible space) and on nearby and surrounding forest lands (fuels treatment projects), the availability of emergency resources (firefighting equipment) and services (access to homes for emergency vehicles), and fire retardant building materials. Implementation of these sorts of activities, practices and policies could be factored into insurance underwriting decisions so as to help incentivize wise planning and stewardship and reduce loss of life and property.

II. Declaration and Directives

- A. The Task Force on Wildfire Insurance and Forest Health (Task Force) is hereby created to identify and reach agreement on ways to encourage activities, practices and policies that would reduce the risk of loss in wildland-urban interface areas and provide greater customer choice and knowledge of insurance options.
- B. The issues that the Task Force shall address include, but not be limited to:
 - 1. Environmentally sensitive ways to improve forest health and sustainability in order to limit future wildfire exposure;
 - 2. The availability of firefighting resources and coordination;
 - 3. Ways to maintain and protect water quality and watersheds;
 - 4. Building and other development activities and requirements in the wildland-urban interface; and
 - 5. Maintaining a healthy insurance marketplace to protect against financial loss from wildfire.
- C. The Task Force shall explore any and all options that address the preceding issues and help clarify and/or better coordinate the local and state regulatory jurisdictions. Such options examined shall include, but are not limited to:
 - 1. The tailoring of insurance products for residents in the wildland-urban interface and other natural hazard prone areas;
 - 2. Utilization of local government liaisons and local jurisdiction designees regarding forest management and development in the wildland-urban interface;
 - 3. State training workshops for local jurisdiction representatives;
 - 4. Memorandums of agreement, intergovernmental agreements, and letters of cooperation and consent between the state and local jurisdictions;
 - 5. Changes to existing laws or regulations; and
 - 6. Suggested new laws and regulations.

III. Membership

- A. The Task Force shall be chaired by the Executive Director of the Colorado Department of Regulatory Agencies.

B. The Task Force shall be comprised of the following members:

1. The Colorado Commissioner of Insurance;
2. One designee of the Division of Homeland Security and Emergency Management and one designee of the Division of Fire Prevention and Control;
3. Two designees each from the Colorado Department of Natural Resources and the Colorado State Forest Service, respectively;
4. One designee from the U.S. Forest Service with specific expertise in forest health;
5. Two designees from the property and casualty insurance industry, specifically, from the American Insurance Association and the Property Casualty Insurers Association of America;
6. One designee from a non-governmental conservation organization;
7. One designee of the Colorado Municipal League;
8. One designee of the Colorado Bankers Association;
9. One designee of the Colorado Mortgage Lenders;
10. One designee of the Colorado Home Builders Association;
11. One designee of Colorado Counties, Inc.;
12. One designee of the Colorado Water Congress; and
13. Two designees of the Department of Public Health and Environment, of which one shall be experienced in water quality issues and one shall be experienced in air quality issues.

IV. Duration

This Executive Order shall continue in existence until the Task Force reports its recommendations and findings to the Governor, the Speaker of the House of Representatives, and the President of the Senate no later than July 1, 2013, unless rescinded or modified by further Executive Order.



GIVEN under my hand and the
Executive Seal of the State of
Colorado, this thirtieth day of
January, 2013.

A handwritten signature in black ink, which appears to read "John W. Hickenlooper".

John W. Hickenlooper
Governor