

Colorado's wildfire risk is so high a fire department struggled to find insurance to build a new firehouse

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The Durango Fire Protection District was repeatedly denied insurance coverage for the construction of its new downtown firehouse earlier this

year because of the wildfire risk.

"We literally are a fire station building a fire station next to a next fire station between a river and a highway," Durango Fire Chief Randy Black said. "It's 10 feet from the existing one and they turned us down because of the wildfire risk. It's just ludicrous."

After months of searching for a policy, Durango Fire found an insurance company in May that would write an affordable policy to cover the construction of its new building. But the fire department's predicament is indicative of the struggles many Coloradans face as they try to buy property insurance for their homes and businesses.

For some, the looming crisis over the escalating costs of property insurance—if you can get it at all—is causing as much financial concern for residents and [business owners](#) as the property tax issue at the center of this week's legislative special session.

"The availability of homeowners insurance and business insurance is more significant than the discussion we're having at the Capitol about [property taxes](#)," said Garry Briese, executive director of the Colorado State Fire Chiefs. "It's going to impact every single homeowner."

More and more Colorado property owners report that their [insurance policies](#) are becoming unaffordable or being dropped because of the risks. A 2023 Colorado Division of Insurance report that looked at rates between 2018 and 2022 found the state's homeowners have seen their insurance costs escalate faster than the rest of the country because of wildfires and hailstorms, which are growing more severe as the planet's climate changes.

An estimated 321,294 homes across Colorado valued at \$141 billion are at risk of being destroyed by wildfires, according to CoreLogic's 2024

Wildfire Risk Assessment.

But the rising costs are impacting every property owner in Colorado as insurance companies increase rates to cover their risk when a catastrophe happens anywhere in the state. That makes people's monthly mortgage payments go up as most homeowner insurance is paid by their banks through escrow accounts. It also increases rents as landlords charge more to cover their expenses.

The Durango Fire Protection District is building a \$12 million, 15,000-square-foot fire station at 1235 Camino del Rio, next to the Animus River. It will replace an existing building that has served as the city's downtown fire station since 1983—a building that was supposed to be a temporary home, Black said.

"They temporarily—and the joke here is temporary—put us in the building that had been the electrical suppliers' annex shop," he said. "It's outdated. It's unsafe. It doesn't have near the space we need."

After years of searching, the fire agency learned the property next to the existing [building](#) was available and drafted construction plans. But buildings under construction must be insured by a builder's policy, which covers materials, equipment and unfinished structures. It's separate from the policies that cover existing structures.

Three insurance companies—Travelers, Liberty Mutual and Hartford—refused to sell builders insurance policies to the fire department, citing the wildfire risk, Black said. Others offered insurance policies that cost five times more than what the fire department had in its budget, Black said.

Representatives of the three insurers either couldn't be reached or weren't able to comment.

The fire protection district finally found an agent in Grand Junction who landed a [policy](#) through Central Insurance for \$20,000 for a year, Black said.

Homeowners in Durango are finding themselves in the same situation as companies see the local zip code and deny coverage, citing the fire risk, Black said. Almost the entire city is within what is considered the wildland urban interface, meaning it is close to the high desert to the south or the mountains to the north with open space, parks and trails all over the city.

Some residents call the fire district to ask if there was something the fire department could be doing to help lower insurance prices. Others are just simply looking for help, he said.

"The big thing for us is we use that story to tell people we sympathize with you," Black said. "It's crisis stage for our community and the people that are trying to insure buildings. I tell people we are in the same boat you are."

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