



# Colorado FAIR Plan Policy Structure

The Colorado FAIR Plan is designed as a last resort for property owners who cannot secure insurance through the standard insurance market. It addresses “availability” instead of “affordability” of insurance.

## Standard Market Policies vs. Colorado FAIR Plan Policies

OFFERING	STANDARD MARKET POLICES	COLORADO FAIR PLAN POLICIES
Eligibility	Available to most homeowners who meet insurer requirements	Must have three declinations from standard insurers and apply through a licensed producer
Coverage Basis	Replacement Cost Value (RCV) available	Limited to Actual Cash Value (ACV) only
Perils Covered	Typically includes fire, windstorm, hail, theft, water damage, liability, and more	Covers only fire and lightning (with optional extended coverage for wind, hail, explosion, etc.)
Liability Coverage	Included	Not included
Water & Flood Damage	Often included or available as an endorsement	Not covered
Theft & Vandalism	Usually included	Only vandalism and malicious mischief are optional add-ons
Additional Living Expenses	Included	Not Included
Policy Limits	It varies. It can be higher depending on property value	\$750,000 for residential and \$5 million for commercial
Premium Cost	Based on risk factors, generally lower for standard homes	Typically higher due to higher-risk properties
Availability	Offered by standard insurance companies	Last-resort option for those unable to secure standard coverage

## Policy Eligibility & Requirements

To qualify for coverage under the Colorado FAIR Plan, applicants must meet the following requirements:

- ✔ Proof of Market Ineligibility
- ✔ Property Must Meet Minimum Condition Standards
- ✔ Application Through a Licensed Producer
- ✔ Policyholders Can Renew Annually for Up to Three Years