

Cut Trees or Loose Coverage

State Farm to inspect fire-prone properties

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Tuesday, May 20, 2003 - State Farm is giving customers in wildfire-prone areas about two years to clean brush and trees from around their homes or risk losing coverage.

The company next month will begin inspecting properties in areas in Colorado and five other states where wildfires pose the greatest threat.

About 21,000 homes in the states are in locations that State Farm, as well as various government agencies, consider at risk.

The insurance carrier will fund the new program from its "reinspection" budget, and the inspections won't increase rates, said Steve Niccolai, State Farm commercial underwriting supervisor in Denver.

The Colorado State Forest Service provided the insurer with a map detailing communities where the threat is greatest in Colorado.

The U.S. Bureau of Land Management and other agencies provided similar information for the other states - Utah, New Mexico, Arizona, Nevada and Wyoming.

The state Forest Service, an educational outreach arm of Colorado State University, can also give information on how to cut down the danger.

"I think the more landowners we can come in contact with, the safer we can make Colorado," said Scott Woods, the state Forest Service's wildfire mitigation coordinator.

The state Forest Service has already trained State Farm underwriters and inspectors from Survey Associates in Aurora - a private company that will perform the inspections - to spot hazards.

Last summer's wildfires raged across the state, razing homes and causing more than \$70 million in damage.

State Farm paid out \$24.5 million on 460 claims related to the Hayman fire and other large blazes.

If more property owners had cleared their properties before the blazes, emergency workers could have saved more homes, Woods said.

"People have had their wake- up call," said Carole Walker, executive director of the Rocky Mountain Insurance Information Association. "Insurance companies don't want to tell people where to live, but there is a risk that you accept when you live in a wildfire area."

Representatives of Farmers Insurance and Allstate said their companies don't have similar programs, and Walker said she knows of no other such efforts by insurers.

State Farm's program will work this way:

Beginning next month the carrier will send letters telling property-owners they can expect a visit from inspectors.

If an inspection finds overgrown brush too close to the house or other hazardous conditions, a second letter will inform the property owner and ask them to clear the potential tinder away.

Homeowners can contact the state Forest Service or anyone else with the expertise needed to identify what can be done to increase safety.

"We would also help with the tree-removal selection," Woods said.

Fire districts throughout the state have different charges for that type of service, he said, but the average cost is \$40.

The state Forest Service can provide a list of contractors to remove the hazards, Woods said.

Landowners will have between 18 months and 24 months to clean up the property.

The long lead time will allow those who qualify to apply for federal grant money available under a national fire plan.

Officials developed the federal plan after flames devoured thousands of acres of timber and threatened the Los Alamos National Laboratory in New Mexico three years ago.

State Farm officials said they expect to perform between 6,000 and 8,000 inspections each year over the next three years.

About 2,000 of the properties are in Colorado.

Fire is a serious threat in almost every county in Colorado except those on the Eastern Plains, Niccolai said.

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