Comments on Draft of Revised Bulletin No. B-5.57—Concerning Use of Aerial Imagery by Insurers in Decision Making

September 1st, 2026

We write in opposition to the proposed revisions and to urge revisions to strengthen consumer protection to Bulletin No. B-5.57, which provides guidance from the Division of Insurance for insurers using aerial photography for underwriting, pricing, and claims decisions. The proposed revisions would significantly weaken protections for Colorado consumers.

The Division exposed the proposed revised Bulletin No. B-5.57 without any explanation as to why these alterations were being considered. The proposed revised bulletin makes the following changes, with profoundly negative impacts on consumers:

- Eliminates "pricing" and "rating" from the scope of the bulletin, retaining the guidance regarding "underwriting" and "claims decisions";
- Eliminates "tier placement or rating impacts, coverage limitations or restrictions" from the list of adverse actions subject to the bulletin;
- Extends the age of the aerial photographs used by insurers from 12 to 18 months;
- Removes the requirement that insurers' adverse actions be supported by "evidence" and replaces it with an allowance that insurers can use aerial imagery to take an adverse action based on "signs" of degradation; and
- Deletes the requirement that adverse actions derived from aerial photography be consistent with publicly available rate filings and instead only requires consistency with an insurer's underwriting criteria and "guidelines."

Each of these changes harms consumers by removing reasonable and necessary consumer protections. Together, the changes eviscerate important consumer protections the Division presented to insurers in the original March 2026 bulletin issued regarding their use of aerial imagery.

In addition, the proposed changes leave undefined terms that will create a lack of clarity and make regulatory enforcement impossible. By referencing "underwriting" and "pricing" and "rating" and "tier placements or rating impacts" and "coverage limitations or restrictions," the original bulletin covers all aspects of underwriting and pricing – and eliminates the need for specific definitions of underwriting and pricing because the entire continuum is covered. By eliminating pricing, rating, tier placement, rating impacts and coverage restrictions, in the proposed revisions, it is unclear what "underwriting" actually means, as all the things deleted from the proposed revised bulletin are typically understood as part of the underwriting process. For example, the Research and Actuarial Department of the National Association of Insurance Commissioners defines "underwriting" as:

The process by which an insurance company examines risk and determines whether the insurer will accept the risk or not, classifies those accepted and determines the appropriate rate for coverage provided.[1]

Does the Division propose deleting those terms because they are presumed to be entirely incorporated into the revised bulletin through the catchall term "underwriting"? If so, that should be made entirely clear with a definition of underwriting that says as much. If not, we can think of no rationale for relieving insurers of sound actuarial and consumer-friendly practices involving aerial photography for pricing, rating, tier placement, or coverage restrictions. If, indeed, the Division intends these revisions to narrow the meaning of underwriting, the deletions to the "adverse action" provision hollow out the meaning of adverse action. The proposed changes appear to not only cut out a large swath of consumer protection in the underwriting and pricing continuum but introduce a profound vagueness to the guidance. "Underwriting," is not defined, so it is unclear what guidance is being provided. The Division offers no explanation for these unequivocally anti-consumer deletions.

The proposed bulletin further harms consumers by authorizing insurers to utilize images that are significantly older than the current guidance. The proposed bulletin now fails to guide insurers at all as to how aged an image they can use for rating purposes. This means that insurers can rely on old images that fail to capture more recent loss prevention improvements made by the consumer or community when rating their customers. No rationale is provided for changing the rules to allow insurers to use less relevant, older data than the current version allows.

The proposed bulletin introduces further confusion detrimental to consumers by relieving insurers of the need to find "evidence of degradation" before taking adverse actions and instead requiring the much more vague "signs of degradation." Again, no rationale is offered for changing a well-understood term to a vague and unenforceable term.

Rather than the suite of deletions and replacements, we strongly urge the Division to limit its changes to the bulletin as follows:

- Maintain the two instances in which "customer provided photos" is proposed to be added;
- Require insurers to use the most recently-available photos and no older than 12 months; and
- Remind companies that an insurer's use of aerial photography must comply with the statutory requirements of SB169, including testing for unfair discrimination for external consumer data and information (ECDI). Aerial photography is precisely the type of ECDI the Legislature intended SB169 to cover, and we remain deeply concerned that the Division has not implemented SB 169 residential property insurance and aerial photography.

[1] https://content.naic.org/glossary-insurance-terms

It is unclear what prompted the Division to propose revising the bulletin related to aerial imagery, but we urge you not to revise it as proposed in the currently exposed draft. The proposed changes will create uncertainty for insurers, complicate regulatory oversight, and severely harm Colorado residents who may suddenly find themselves charged higher prices or provided less access to coverage due to the elimination of some of the consumer protection guidelines that the Division issued just six months ago.

Sincerely,

Douglas Heller

Director of Insurance
Consumer Federation of America

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