



***Colorado governance and risk management framework  
rule for insurers using AI/ECDIS***

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Center for  
**Regulatory  
Strategy**  
**US**

## Colorado AI Rule background

On August 20, 2025, Colorado [adopted Amended Regulation 10-1-1](#), which **outlines governance and risk management framework requirements** for life insurers, private passenger automobile insurers (PPA), and health benefit plan insurers in their **use of external consumer data and information sources (ECDIS), algorithms, and predictive models**.<sup>1</sup> **This rule will now apply to all lines of insurance**, expanding beyond the purview of the 2023 life insurance governance rule. The regulation is effective **October 15, 2025**. An initial narrative report summarizing the progress made towards complying with the rule, including areas still under development and any difficulties encountered is due **December 1, 2025, for PPA insurers** and health insurers. **Annual reports are due July 1, 2026**, for PPA and health insurers. *Life insurers continue with their initial compliance timetable.*



### Governance & Risk Management Framework

Insurers must establish a governance and risk management framework to prevent unfair discrimination using ECDIS, algorithms, and predictive models. This includes:

- Documented principles and policies
- Board oversight
- Senior management accountability
- Cross-functional governance groups
- Processes for design, testing, deployment, and monitoring
- Consumer complaint protocols
- Risk assessment and prioritization
- Evaluation of data quality and statistical bias
- Inventory and version control of ECDIS and algorithms
- Documented description of quantitative testing for unfair discrimination and remediation is expected *only when* quantitative testing rules are in place<sup>2</sup>
- Description of process for selecting external resources
- Annual reviews and updates



### Reporting requirements

Insurers must submit narrative reports in SERFF to the Colorado Division summarizing compliance with Section 5 requirements of the new rule.

- An initial narrative report on progress with compliance is due December 1, 2025, for **PPA insurers** and health insurers.
- **PPA insurers** and health insurers must submit on July 1, 2026, and annually thereafter, a report summarizing compliance with the requirements and the title and qualifications of each individual responsible for ensuring compliance.
- Annual compliance reports were due beginning December 1, 2024, for **life insurers** and are due subsequently annually thereafter.
- If not using ECDIS or algorithms and/or predictive models that use ECDIS, insurers' attestations of non-use of ECDIS must be submitted within one month of effective date of the regulation and annually on December 1 thereafter.

<sup>1</sup> Colorado Division of Insurance, "[Notice of Adoption – Amended Regulation 10-1-1](#)," August 20, 2025. <sup>2</sup> Colorado Division of Insurance, "[Notice of Adoption - New Bulletin B-10.004](#)," October 21, 2024.



## Connect with us

**Tim Cercelle**

Managing Director Deloitte  
& Touche LLP  
[tcercelle@deloitte.com](mailto:tcercelle@deloitte.com)

**Courtney Parry**

Principal  
Deloitte & Touche LLP  
[cparry@deloitte.com](mailto:cparry@deloitte.com)

## Deloitte Center for Regulatory Strategy, US

**Irena Gecas-McCarthy**

*FSI Director, Deloitte Center for Regulatory Strategy, US*  
Principal  
Deloitte & Touche LLP  
[igecasmccarthy@deloitte.com](mailto:igecasmccarthy@deloitte.com)

**Elizabeth Festa**

Lead Regulatory Analyst  
Deloitte Services LP  
[lfesta@deloitte.com](mailto:lfesta@deloitte.com)

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