

SB 109 STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

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Sub-Referral To: Senate Committee On General Government and Accountability

Meeting Dates: 2/20, 3/15

WHAT THE MEASURE DOES:

Establishes the Task Force on Statewide Earthquake Insurance for Residential Property. Sunsets Task Force on December 31, 2018; declares emergency, effective on passage.

NOTE: MEASURE HAS A SUBSEQUENT REFERRAL TO SENATE GENERAL GOVERNMENT AND ACCOUNTABILITY

NOTE: MEASURE HAS A SUBSEQUENT REFERRAL TO JOINT WAYS AND MEANS

ISSUES DISCUSSED:

- Anticipated effect of a Cascadia Subduction Zone earthquake
- Importance of preparing citizens for a major earthquake
- Whether the state should consider a state-run insurer as an option

EFFECT OF AMENDMENT:

[-3 amendment] Adds county commissioner, appointed in consultation with the Association of Oregon Counties, and an emergency manager from a city or county, appointed in consultation with the Oregon Emergency Management Association, to the Task Force. Deletes references to a state-run insurer.

FISCAL:

REVENUE:

BACKGROUND:

Oregon is geographically situated adjacent to the Cascadia Subduction Zone, a 600-mile geological fault line that extends from northern California to British Columbia, approximately 75 miles off the Pacific coast. Evidence for the subduction zone has been discovered during the past several decades; the last major earthquake related to the fault occurred in January of 1700. Experts estimate that there is a 40 percent chance of a megathrust earthquake of 9.0 or greater on the Richter scale during the next 50 years. Such an earthquake would devastate the coastal region and cause widespread damage to public and private property, as well as infrastructure, throughout most of western Oregon.

Senate Bill 109 establishes a Task Force on Statewide Earthquake Insurance for Residential Property to evaluate the feasibility of a state-run, self-funding insurer or hybrid public-private insurance authority for providing residential earthquake insurance, and to investigate alternatives. The Task Force would be comprised of 15 members, including legislators, state agency officials, insurance representatives and members of the public. Staffing is provided by the Department of Consumer and Business Services. The Task Force is directed to submit a report to the Legislative Assembly, including any recommendations for legislation, by September 15, 2018.