

## **SUBCOMMITTEE RECOMMENDATION**

### **Item 52: Department of Forestry Fire Insurance Policy Premium**

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To:           Emergency Board Full Committee  
From:        Education Subcommittee  
Carrier:      Senator Findley

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The Education Subcommittee recommends that the Emergency Board allocate \$1,957,075 General Fund to the Department of Forestry and increase the Other Funds expenditure limitation for the Department of Forestry by \$315,000, for payment of premium costs associated with the state’s 2022 catastrophic wildfire insurance policy.

The 2022 fire season total premium cost is \$4,066,425. The Department of Forestry’s budget includes \$1,794,350 towards this expense. The Department also has available \$315,000 Other Funds from the Oregon Forest Land Protection Fund. The shortfall between available resources and the premium cost is \$1,957,075.

The retention amount for the 2022 fire season increased by 50% from the prior year to \$75 million from \$50 million following a \$18.4 million claim against the policy for the 2021 fire season. The average net fire costs to the state between 2013 and 2021 are just over \$41.6 million per year. The costliest fire season, 2013, resulted in \$75.0 million of net costs with an insurance claim of \$25.0 million.

The Subcommittee recommends approval.