

SB 82 -3 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources

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Meeting Dates: 2/6, 3/8

WHAT THE MEASURE DOES:

Prohibits an insurance company from using the statewide wildfire risk map as a basis for canceling an insurance policy or increasing an insurance policy premium.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 **Defines 'wildfire risk mitigation action'** as meaning an action that reduces wildfire risk to property, including a property-level action such as establishing defensible space, hardening a building, or receiving certification for a wildfire prepared home; and community-level action such as receiving recognition as a Firewise USA site in good standing or participating in state community risk reduction programs. Requires an insurer to send a **notice to insured for homeowner insurance policy cancellations, decisions not to renew, or premium increases** for a reason materially related to wildfire risk and not nonpayment of a premium. Requires the notice to describe: property-specific characteristics related to wildfire risk that resulted in the cancellation, decision not to renew, or premium increase; wildfire risk mitigation actions the insured could undertake to improve insurability of the property, if there are any; information about wildfire risk scores or classifications used to assess the property, if used; general information about factors the insurer considers in order to classify, measure, or determine the wildfire risk to a property; and any other information specified by rule. Requires notices for premium increases materially related to wildfire risk to also describe what wildfire risk mitigation actions the insured could undertake, if any, that would result in a discount, incentive, or other premium adjustment, and the amounts of those discounts, incentives, or adjustments. Requires an insurer to make information on whether and how wildfire risk mitigation actions may impact the insurer's **underwriting and rates** publicly available on the insurer's website, and requires an insurer to reflect in their underwriting guidelines and rate plans how the insurer addresses or considers wildfire risk mitigation actions. Requires certain protections for insured to be able to repair, rebuild, or replace damaged or lost property if the damage or loss was directly related to a fire subject to an order under the **Emergency Conflagration Act**. Prohibits an insurance company from using a **state map that identifies areas of wildfire risk** or exposure as a basis for canceling, declining to renew, or increasing a premium for a homeowner insurance policy.

FISCAL: Has minimal fiscal impact

REVENUE: No revenue impact

BACKGROUND:

In 2021, the Legislative Assembly enacted Senate Bill 762, a wide-ranging wildfire law that invested in dozens of programs and initiatives that aligned with three key strategies: creating fire-adapted communities, increasing resiliency in Oregon's landscapes, and developing safer and more effective wildfire response. One provision of the law directs the Oregon Department of Forestry (ODF) and Oregon State University to collaboratively produce a comprehensive statewide map of wildfire risk that reflects five statewide wildfire risk classes - extreme, high, moderate, low, and no risk - at the property-ownership level. The map has not yet been finalized, but ODF reports

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that it will be completed during the 2023 calendar year.

In recent months, media outlets have been reporting on claims that home insurance rates are rising, sometimes dramatically, in areas of the state that may align with higher wildfire risk classes.

Senate Bill 82 would prohibit an insurance company from using the statewide wildfire risk map as a basis for canceling an insurance policy or increasing an insurance policy premium.