

LC 182
2026 Regular Session
1/12/26 (TSB/ps)

D R A F T

SUMMARY

Digest: Tells an insurer to give to a state agency the details of models the insurer uses to score property for wildfire risk. Tells the insurer to give notice about what actions a policy holder can take to better the risk score. Takes effect 91 days after the session ends. (Flesch Readability Score: 62.4).

Requires an insurer that uses a catastrophe model or wildfire risk model to provide the Director of the Department of Consumer and Business Services a description of each model, along with related information, and an explanation of how the insurer uses the model in underwriting decisions. Specifies elements that an insurer must include in each model and requires the insurer to give a premium discount or adjustment, or other incentive, to a policy holder that demonstrates having undertaken a property-specific mitigation action or that a community-level mitigation action occurred in proximity to the policy holder's property.

Requires an insurer to post on the insurer's website, and provide to an applicant for insurance or a policy holder seeking a renewal, information about premium discounts or adjustments, or other incentives, that are available to applicants or policy holders that undertake a property-specific mitigation action or demonstrate that a community-level mitigation action occurred in proximity to the applicant's or policy holder's property.

Permits an applicant or policy holder to appeal an insurer's classification of the applicant's or policy holder's property or to dispute the amount of a premium discount or adjustment or other incentive the insurer provides.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1 2 Relating to property insurance; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) As used in this section:**

5 **(a) “Catastrophe model” means a tool, instrument, means, product**
6 **or method, including a map- or computer-based tool or a simulation,**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 that an insurer uses to estimate potential losses from catastrophic
2 events.

3 (b) “Community-level mitigation action” means an action or set of
4 actions to reduce the risk of or hazards or loss from wildfire that is
5 based in scientific practice and:

6 (A) Consists of actions such as forest treatment and fuel reduction,
7 investments in equipment to fight wildfires and mitigate impacts from
8 wildfires and actions that utilities take to prevent or reduce the risk
9 of wildfires in accordance with a plan that the Public Utility Com-
10 mission approves; and

11 (B) Is certified by the State Fire Marshal as effective in reducing
12 the risk of or hazards or loss from wildfire in a neighborhood or
13 community or is undertaken by a local government or state agency to
14 reduce the risk of or hazards or loss from wildfire in a neighborhood
15 or community.

16 (c) “Property-specific mitigation action” means an action or set of
17 actions to reduce the risk of wildfire or hazards or loss from wildfire
18 for a specific property that is based in scientific practice and:

19 (A) Consists of actions such as establishing defensible space, hard-
20 ening structures against fire or similar or related actions that prevent
21 or reduce the risk of wildfire or the risk of hazards or loss from
22 wildfire on the property; and

23 (B) Results in a certification from the Insurance Institute for
24 Business and Home Safety that designates the property as a Wildfire
25 Prepared Home or results in a certification from an equivalent pro-
26 gram that verifies that the action is effective in reducing the risk of
27 wildfire or hazards or loss from wildfire.

28 (d) “Wildfire risk model” means a tool, instrument, means, product
29 or method, including a map- or computer-based tool or a simulation,
30 that an insurer uses, in whole or in part, to measure or assess the risk
31 of wildfire associated with a residential property or with a community,

1 for the purposes of:

2 (A) Rating, classifying or pricing insurance coverage on the basis
3 of the risk; or

4 (B) Estimating potential loss from wildfire on the basis of a risk
5 classification.

6 (2)(a) An insurer that uses a catastrophe model, wildfire risk model
7 or a scoring method to assign risk for residential property or a com-
8 munity shall submit the catastrophe model, wildfire risk model or
9 scoring method to the Director of the Department of Consumer and
10 Business Services for approval as part of the insurer's filings under
11 ORS chapter 737.

12 (b) The insurer's submission under paragraph (a) of this subsection
13 must include:

14 (A) A description of the model or method;
15 (B) How the model or method affects rates;
16 (C) An actuarial justification for all rating factors, including any
17 discounts offered for mitigation actions; and
18 (D) An explanation of how the insurer uses the model in under-
19 writing decisions.

20 (c) An insurer that makes a submission under paragraph (a) of this
21 subsection shall include in the submission information about whether
22 and how the models the insurer uses for rating and underwriting take
23 account of community-level mitigation actions or mitigation actions
24 that state agencies perform.

25 (d) A model or method that an insurer submits under paragraph (a)
26 of this subsection is confidential as provided in ORS 705.137.

27 (3)(a) An insurer that uses a catastrophe model or wildfire risk
28 model, or a combination of a catastrophe model and a wildfire risk
29 model, shall incorporate applicable community-level mitigation actions
30 and property-specific mitigation actions into the catastrophe model,
31 wildfire risk model or combination of models, or shall otherwise dem-

1 onstrate that the insurer's underwriting and rates incorporate appli-
2 cable community-level mitigation actions and property-specific
3 mitigation actions.

4 (b) An insurer that does not comply with the requirement set forth
5 in paragraph (a) of this subsection shall give a premium discount or
6 adjustment or other incentive to a policy holder that demonstrates
7 that the policy holder has undertaken a property-specific mitigation
8 action for the policy holder's property or that a community-level mit-
9 igation action has occurred in sufficient proximity to the policy
10 holder's property to reduce the risk of loss.

11 (4) An insurer shall post on the insurer's public website the process
12 for appealing the insurer's risk classification and readily accessible
13 information about the premium discounts or adjustments or other in-
14 centives available to policy holders that demonstrate that the policy
15 holder has undertaken a property-specific mitigation action or that a
16 community-level mitigation action occurred in sufficient proximity to
17 the policy holder's property to reduce the risk of loss. The information
18 must identify property-specific mitigation actions a policy holder could
19 undertake to receive the premium discount or adjustment or other
20 incentive, and the amount of the discount, adjustment or incentive
21 that corresponds with each action.

22 (5)(a) An insurer that provides a premium discount or adjustment
23 or other incentive, or that uses a catastrophe model or wildfire risk
24 model to underwrite, price, decline to renew, create a differential rate
25 or impose a surcharge on a premium shall each year notify an appli-
26 cant for insurance or a policy holder, in writing and within the dead-
27 lines specified in subsection (6) of this section, of:

28 (A) The risk classification or score the insurer has given to the
29 applicant or policy holder; and

30 (B) Any applicable property-specific mitigation action the policy
31 holder could undertake and any community-level mitigation action

1 that could result in a more favorable classification or score, acceptance or renewal of an application, withdrawal of a rate differential, surcharge, a premium discount or adjustment or other incentive.

4 (b) The notice described in paragraph (a) of this subsection must:

5 (A) Explain in plain language the classification or score the insurer
6 has determined for the applicant's or policy holder's property and state
7 that different insurers may use different models or have different risk
8 classifications or scores that could lead to different results or different
9 decisions;

10 (B) Identify the classifications or range of scores the insurer could
11 assign to the applicant's or policy holder's property;

12 (C) Specify the relative position of the classification or score the
13 insurer assigns to the applicant's or policy holder's property within the
14 range of classifications or scores the insurer identifies in subparagraph
15 (B) of this paragraph;

16 (D) Explain why the applicant's or policy holder's property received
17 the classification or score the insurer assigned and identify the primary
18 features of the property that influenced the classification or
19 score;

20 (E) Explain how each property-specific mitigation action or
21 community-level mitigation action could affect the classification or
22 score the insurer assigned; and

23 (F) Notify, as provided in subsection (7) of this section, the applicant or policy holder of the right to appeal the classification or score
24 the insurer assigned to the applicant's or policy holder's property, or
25 to dispute the amount of the premium discount or adjustment or other
26 incentive the insurer gives for a property-specific mitigation action or
27 community-level mitigation action.

28 (6) An insurer shall provide the notice described in subsection (5)
29 of this section within the following deadlines, as applicable:

30 (a) Not later than 15 days after the applicant submits a completed

1 application for insurance to the insurer;

2 (b) At the time the insurer offers to renew a policy holder's policy;

3 (c) At the time the insurer notifies a policy holder that the insurer

4 declines to renew the policy holder's policy; or

5 (d) Not later than 30 days after an applicant or policy holder sub-

6 mits a request or appeal to an insurer for a reclassification or adjust-

7 ment to the score the insurer gives to the applicant's or policy holder's

8 property together with a demonstration:

9 (A) Of having completed, since the last application or renewal of

10 the policy, a property-specific mitigation action; or

11 (B) That a community-level mitigation action occurred, since the

12 last application or renewal of the policy, in sufficient proximity to the

13 property to reduce the risk of loss.

14 (7)(a) An applicant or policy holder may appeal a classification or

15 score an insurer assigns to the applicant's or policy holder's property,

16 or dispute the amount of a premium discount or adjustment or other

17 incentive the insurer provides for a property-specific mitigation action

18 or community-level mitigation action, if the applicant or policy holder

19 believes the classification, score or amount is not accurate. The

20 insurer shall provide the applicant or policy holder with a written ac-

21 knowledgement not later than 10 calendar days after receiving the

22 appeal or dispute and shall respond to the appeal or dispute with a

23 decision in writing not later than 30 calendar days after receiving the

24 appeal or dispute.

25 (b) If an insurer denies an appeal or refuses to change the amount

26 of a premium discount or adjustment or other incentive, the insurer

27 shall forward to the director, at the director's request, a copy of the

28 appeal or dispute and the insurer's response.

29 (8) The director and the State Fire Marshal may adopt rules to im-

30 plement the provisions of this section.

31 **SECTION 2. Section 1 of this 2026 Act applies to policies of fire in-**

1 insurance, casualty insurance as defined in ORS 731.158, property insur-
2 ance as defined in ORS 731.182 and homeowner insurance as defined
3 in ORS 746.600 that an insurer issues or renews on or after the opera-
4 tive date specified in section 3 of this 2026 Act.

5 **SECTION 3.** (1) Section 1 of this 2026 Act becomes operative on
6 **January 1, 2027.**

7 **(2) The Director of the Department of Consumer and Business Ser-**
8 **vices and the State Fire Marshal may adopt rules and take any other**
9 **action before the operative date specified in subsection (1) of this sec-**
10 **tion that is necessary to enable the director or the State Fire Marshal**
11 **to undertake and exercise, on and after the operative date specified in**
12 **subsection (1) of this section, all of the duties, functions and powers**
13 **conferred on the director or the State Fire Marshal by section 1 of this**
14 **2026 Act.**

15 **SECTION 4.** This 2026 Act takes effect on the 91st day after the date
16 on which the 2026 regular session of the Eighty-third Legislative As-
17 sembly adjourns sine die.