

Requested by Senator GOLDEN

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 1540**

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 15 and
2 delete pages 2 through 5 and insert:

3 **“SECTION 1. (1) The State Fire Marshal shall coordinate with the**
4 **State Forestry Department to develop a statewide database with in-**
5 **formation on wildfire mitigation efforts. The database must:**

6 **“(a) Include, but need not be limited to, information about**
7 **community-level projects, landscape fuel reduction projects or forest**
8 **treatment projects that reduce the risk of wildfire; and**

9 **“(b) Provide property owners with the ability to submit data about**
10 **actions the property owners have taken to harden homes and multi-**
11 **family structures and to create space to defend against wildfires.**

12 **“(2) Data collected or submitted for inclusion in the database de-**
13 **scribed in subsection (1) of this section must include, to the extent**
14 **available, information about whether efforts to reduce risk of wildfire**
15 **meet any of these standards, as applicable:**

16 **“(a) Section R327, Wildfire Hazard Mitigation, of the Oregon Resi-**
17 **dential Specialty Code;**

18 **“(b) A certification from the Insurance Institute for Business and**
19 **Home Safety that a property is a Wildfire Prepared Home;**

20 **“(c) The Oregon Defensible Space Code adopted by the State Fire**
21 **Marshal; or**

1 “(d) Other state or national standards that govern landscape
2 resilience projects and community-level risk reduction projects.

3 “(3) The State Fire Marshal may disclose to the public information
4 collected and submitted to the database about projects described in
5 subsection (1)(a) of this section but may not disclose to the public in-
6 formation in the database about specific properties.

7 “(4) The State Fire Marshal by rule shall determine, in consultation
8 with the State Forestry Department and the Department of Consumer
9 and Business Services, the data that the database described in sub-
10 section (1) of this section must include.

11 “SECTION 2. Sections 3 and 4 of this 2026 Act are added to and
12 made a part of the Insurance Code.

13 “SECTION 3. (1) As used in this section and section 4 of this 2026
14 Act:

15 “(a) ‘Adverse rating’ means:

16 “(A) An application of a rating rule under which an insurer charges
17 more for a premium than the insurer would have charged for covering
18 property with a more favorable wildfire risk score; or

19 “(B) Assignment, based on a wildfire risk score, to a rating tier that
20 does not have the lowest available rates.

21 “(b) ‘Catastrophe model’ means a tool, instrument, means, product
22 or method, including a map- or computer-based tool or a simulation,
23 that an insurer uses to estimate potential losses from catastrophic
24 events.

25 “(c) ‘Community-level mitigation action’ means an action or set of
26 actions to reduce the risk of wildfire or hazards or loss from wildfire
27 that is based in scientific practice, including forest treatment and fuel
28 reduction.

29 “(d) ‘Property-specific mitigation action’ means an action or set of
30 actions to reduce the risk of wildfire or hazards or loss from wildfire

1 for a specific property that is based in scientific practice and:

2 “(A) Consists of actions such as establishing defensible space,
3 hardening structures against fire or similar or related actions that
4 prevent or reduce the risk of wildfire or hazards or loss from wildfire
5 on the property; or

6 “(B) Implements elements of section R327, Wildfire Hazard Miti-
7 gation, of the Oregon Residential Specialty Code or results in a certi-
8 fication from the Insurance Institute for Business and Home Safety
9 that designates the property as a Wildfire Prepared Home.

10 “(e) ‘Wildfire risk model’ means a tool, instrument, means, product
11 or method, including a map- or computer-based tool or a simulation,
12 that an insurer uses, in whole or in part, to measure or assess the risk
13 of wildfire associated with a residential property or with a community,
14 for the purposes of:

15 “(A) Rating, underwriting, classifying or pricing insurance coverage
16 on the basis of the risk; or

17 “(B) Estimating potential loss from wildfire on the basis of a risk
18 classification.

19 “(f) ‘Wildfire risk score’ means a measurement or assessment of the
20 risk of wildfire, expressed as a score, that summarizes the results of
21 applying a wildfire risk model or other wildfire risk scoring method.

22 “(2)(a) An insurer that uses a catastrophe model or a wildfire risk
23 model or scoring method to assign risk for residential property or a
24 community shall submit the catastrophe model or wildfire risk model
25 or scoring method to the Director of the Department of Consumer and
26 Business Services as part of the insurer’s filings under ORS chapter
27 737. The director shall review the submission to determine whether an
28 insurer’s catastrophe model or wildfire risk model or scoring method
29 accounts for community-level mitigation actions or property-specific
30 mitigation actions. The director may disapprove a catastrophe model,

1 wildfire risk model or scoring method that does not account for
2 community-level mitigation actions or property-specific mitigation
3 actions. The director by rule shall specify the form, format and con-
4 tents of an insurer’s filing under this paragraph.

5 “(b) The insurer’s submission under paragraph (a) of this subsection
6 must include:

7 “(A) A description of the model or scoring method;

8 “(B) How the model or scoring method affects rates;

9 “(C) An actuarial justification for all rating factors, including any
10 discounts offered for mitigation actions; and

11 “(D) An explanation of how the insurer uses the model or scoring
12 method in underwriting decisions.

13 “(c) An insurer that makes a submission under paragraph (a) of this
14 subsection shall include in the submission information about whether
15 and how the model or scoring method the insurer uses for rating and
16 underwriting takes account of property-specific mitigation actions,
17 community-level mitigation actions or mitigation actions that state
18 or federal agencies perform.

19 “(d) A model or method that an insurer submits under paragraph
20 (a) of this subsection is a trade secret, as provided in ORS 192.345, and
21 is exempt from disclosure.

22 “(e) This subsection does not establish additional requirements for
23 an insurer to submit underwriting guidelines or manuals and does not
24 modify existing requirements to submit underwriting guidelines or
25 manuals.

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

1 onstrate that the insurer’s underwriting, rates and rate differentials
2 incorporate applicable community-level mitigation actions and
3 property-specific mitigation actions.

4 “(4) The director by rule may specify additional or alternative
5 community-level mitigation actions and property-specific mitigation
6 actions that insurers must incorporate into catastrophe models,
7 wildfire risk models or a combination of a catastrophe model and
8 wildfire risk model.

9 **“SECTION 4. (1) An insurer that does not comply with the re-**
10 **quirement set forth in section 3 (3) of this 2026 Act shall, when**
11 **actuarially supported, give a premium discount or adjustment or other**
12 **incentive to an insurance policy holder that demonstrates that the**
13 **policy holder has undertaken a property-specific mitigation action for**
14 **the policy holder’s property or that a community-level mitigation**
15 **action has occurred in sufficient proximity to the policy holder’s**
16 **property to reduce the risk of loss.**

17 **“(2) An insurer shall post on the insurer’s public website the pro-**
18 **cess for appealing the insurer’s risk classification and readily accessi-**
19 **ble information about the premium discounts or adjustments or other**
20 **incentives that may be available to insurance policy holders that**
21 **demonstrate that the policy holder has undertaken a property-specific**
22 **mitigation action or that a community-level mitigation action oc-**
23 **curred in sufficient proximity to the policy holder’s property to reduce**
24 **the risk of loss. The information must identify property-specific miti-**
25 **gation actions a policy holder could undertake to receive the premium**
26 **discount or adjustment or other incentive and the amount of the dis-**
27 **count, adjustment or incentive that corresponds with property-specific**
28 **mitigation actions. The Director of the Department of Consumer and**
29 **Business Services by rule may specify the form, format and contents**
30 **of the information an insurer must post under this subsection and**

1 **which mitigation actions qualify for an actuarially supported discount.**

2 **“(3)(a) An insurer that provides a premium discount or adjustment**
3 **or other incentive, or that uses a catastrophe model or wildfire risk**
4 **model to underwrite, price, decline to renew, create a differential rate**
5 **or assign an adverse rating for a policy of insurance shall notify an**
6 **applicant for insurance or a policy holder, in writing and within the**
7 **deadlines specified in subsection (4) of this section, of:**

8 **“(A) The risk classification or score the insurer has given to the**
9 **applicant or policy holder; and**

10 **“(B) Any applicable property-specific mitigation action the policy**
11 **holder could undertake and any community-level mitigation action**
12 **that could result in a more favorable classification or score, accept-**
13 **ance or renewal of an application, withdrawal of a rate differential,**
14 **surcharge, a premium discount or adjustment or other incentive.**

15 **“(b) The notice described in paragraph (a) of this subsection must:**

16 **“(A) Explain in plain language the classification or score the**
17 **insurer has determined for the applicant’s or policy holder’s property**
18 **and state that different insurers may use different models or have**
19 **different risk classifications or scores that could lead to different re-**
20 **sults or different decisions;**

21 **“(B) Identify the classifications or range of scores the insurer could**
22 **assign to the applicant’s or policy holder’s property;**

23 **“(C) Specify the relative position of the classification or score the**
24 **insurer assigns to the applicant’s or policy holder’s property within the**
25 **range of classifications or scores the insurer identifies in subparagraph**
26 **(B) of this paragraph;**

27 **“(D) Explain why the applicant’s or policy holder’s property re-**
28 **ceived the classification or score the insurer assigned and identify the**
29 **primary features of the property that influenced the classification or**
30 **score;**

1 **“(E) Explain how each property-specific mitigation action or**
2 **community-level mitigation action could affect the classification or**
3 **score the insurer assigned; and**

4 **“(F) Notify the applicant or policy holder of the right under sub-**
5 **section (5) of this section to appeal the classification or score the**
6 **insurer assigned to the applicant’s or policy holder’s property, or to**
7 **dispute the amount of the premium discount or adjustment or other**
8 **incentive the insurer gives for a property-specific mitigation action or**
9 **community-level mitigation action.**

10 **“(4) An insurer shall provide the notice described in subsection**
11 **(3)(a) of this section within the following deadlines, as applicable:**

12 **“(a) Not later than 10 business days after the applicant submits a**
13 **completed application for insurance to the insurer and the insurer of-**
14 **fers a policy of insurance to the applicant, if the policy has an adverse**
15 **rating on the basis of a wildfire risk score;**

16 **“(b) Not later than 10 business days after the applicant submits a**
17 **completed application to the insurer and the insurer declines to make**
18 **an offer of a policy of insurance on the basis of a wildfire risk score;**

19 **“(c) At the time the insurer offers to renew a policy holder’s policy**
20 **if the policy will have an adverse rating;**

21 **“(d) At the time the insurer notifies a policy holder that the insurer**
22 **declines to renew the policy holder’s policy, if the insurer declines on**
23 **the basis of a wildfire risk score; or**

24 **“(e) Not later than 20 business days after an applicant who has**
25 **submitted a completed application and a request or appeal to an**
26 **insurer who has declined to make an offer of a policy of insurance on**
27 **the basis of a wildfire risk score, or who submits a request or appeal**
28 **of a reclassification or adjustment to the wildfire risk score the**
29 **insurer gives to the applicant’s or policy holder’s property, together**
30 **with a demonstration:**

1 “(A) Of having completed, since the last application or renewal of
2 the policy, a property-specific mitigation action; or

3 “(B) That a community-level mitigation action occurred, since the
4 last application or renewal of the policy, in sufficient proximity to the
5 property to reduce the risk of loss.

6 “(5)(a) An applicant or insurance policy holder may appeal a
7 wildfire risk score or a classification that an insurer assigns to the
8 applicant’s or policy holder’s property, or dispute the amount of a
9 premium discount or adjustment or other incentive the insurer pro-
10 vides for a property-specific mitigation action or community-level
11 mitigation action, if the applicant or policy holder believes the classi-
12 fication, score or amount is not accurate. The insurer shall provide
13 the applicant or policy holder with a written acknowledgement not
14 later than 10 business days after receiving the appeal or dispute and
15 shall respond to the appeal or dispute with a decision in writing not
16 later than 30 business days after receiving the appeal or dispute.

17 “(b) If an insurer denies an appeal or refuses to change the amount
18 of a premium discount or adjustment or other incentive, the insurer
19 shall forward to the director a copy of the appeal or dispute and the
20 insurer’s response.

21 “SECTION 5. (1)(a) The State Fire Marshal, in consultation with the
22 State Forestry Department and the Department of Consumer and
23 Business Services, shall adopt rules specifying the data that the
24 statewide database must include as described in section 1 (4) of this
25 2026 Act not later than January 1, 2027.

26 “(b) The State Fire Marshal shall develop the statewide database
27 described in section 1 (1) of this 2026 Act not later than January 1,
28 2028.

29 “(2) An insurer shall first submit a catastrophe model or wildfire
30 risk model or scoring method the insurer uses to assign risk for resi-

1 **dential property or a community to the Director of the Department**
2 **of Consumer and Business Services not later than 60 days after the**
3 **operative date specified in section 7 (1) of this 2026 Act as provided in**
4 **section 3 (2)(a) of this 2026 Act.**

5 **“(3) The Director of the Department of Consumer and Business**
6 **Services, in consultation with the State Fire Marshal and the State**
7 **Forestry Department, shall adopt rules to implement the provisions**
8 **of section 4 of this 2026 Act not later than July 1, 2027.**

9 **“SECTION 6. Section 3 of this 2026 Act applies to policies of fire**
10 **insurance, property insurance, as defined in ORS 731.182, that insure**
11 **multifamily structures and homeowner insurance, as defined in ORS**
12 **746.600, that an insurer issues or renews on or after the operative date**
13 **specified in section 7 (1) of this 2026 Act.**

14 **“SECTION 7. (1) Sections 1 and 3 of this 2026 Act become operative**
15 **on July 1, 2027.**

16 **“(2) Section 4 of this 2026 Act becomes operative on January 1, 2028.**

17 **“(3) The Director of the Department of Consumer and Business**
18 **Services and the State Fire Marshal, in consultation with the State**
19 **Forestry Department, may adopt rules and take any other action be-**
20 **fore the operative date specified in subsection (1) of this section that**
21 **is necessary to enable the director or the State Fire Marshal to**
22 **undertake and exercise, on and after the operative date specified in**
23 **subsection (1) of this section, all of the duties, functions and powers**
24 **conferred on the director or the State Fire Marshal by sections 1 and**
25 **3 of this 2026 Act.**

26 **“SECTION 8. This 2026 Act takes effect on the 91st day after the**
27 **date on which the 2026 regular session of the Eighty-third Legislative**
28 **Assembly adjourns sine die.”.**

29