



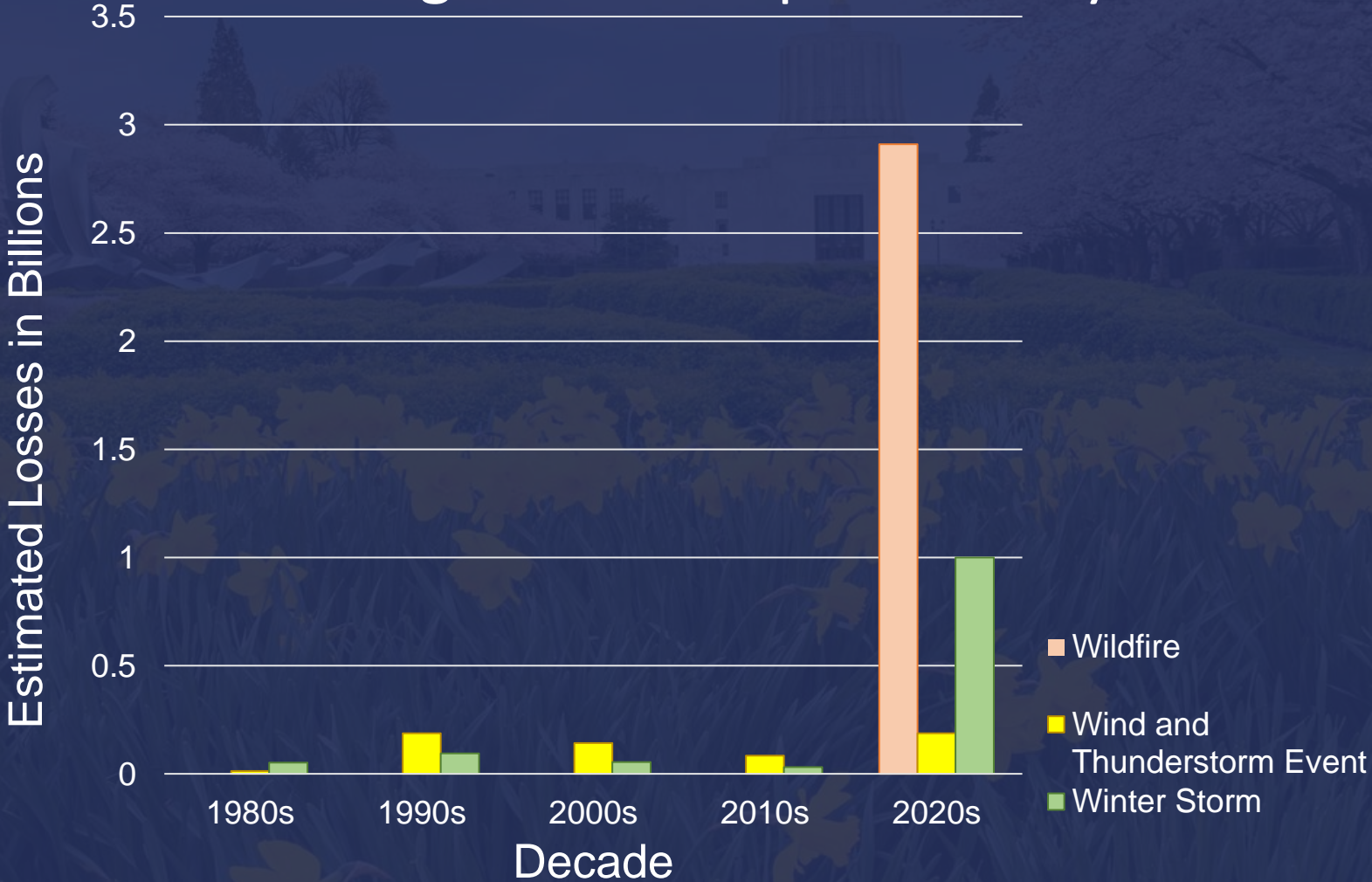
Senate Committee On Natural Resources and Wildfire

Andrew Stolfi, Director/Insurance Commissioner
Jan. 28, 2025



Increased wildfire risk

Oregon Catastrophe Activity



2024 state fire activity comparisons

| | Oregon | California |
|----------------------|--|---------------|
| Total # fires | 1,900+ | 8,000+ |
| Total acres burned | 1.93+ million | 1.05+ million |
| Fatalities | 1 | 1 |
| Structures destroyed | 42 residences and 132 minor structures | 1,716 |

State comparisons

| | Oregon | California |
|---|---|--|
| Annual average (last 10 years) | 2,094 wildfires 702,313 acres burned | 8,518 wildfires 1,285,167 acres burned |
| Structures destroyed (last 10 years) | 417 (231 residences) / year* 4,173 total structures* 2,314 total residences * | 5,640 / year 56,402 total |
| FAIR Plans | 2,321 plans (12/31/24) Approx. \$853 million in total claim exposure | 450,000+ plans (3%) Approx. \$458 billion in total claims exposure |

CA's regulatory approach

- Reinsurance
- Risk modelling
- Rate review

CA sustainable insurance strategy

California will soon require insurers to increase home coverage in wildfire-prone areas

Associated Press | By **Trần Nguyễn**
Published December 30, 2024 at 6:19 PM PST



Andrew Nixon / CapRadio

Firefighters protect homes in Christmas Valley from the Caldor Fire Monday, Aug. 30, 2021.

<https://www.ijpr.org/wildfire/2024-12-30/california-will-soon-require-insurers-to-increase-home-coverage-in-wildfire-prone-areas>

California pushes insurers to cover more homes in these areas. Is your ZIP included?

BY LEVI SUMAGAYSAY
JUNE 12, 2024



A house burns on Platina Road at the Zogg Fire near Ono in 2020. California home insurance regulators are cracking down on companies' refusal to write policies in distressed areas. Photo by Ethan Swope, AP Photo

<https://calmatters.org/economy/2024/06/california-pushes-insurers-to-cover-more-homes-in-these-areas-is-your-zip-included/>

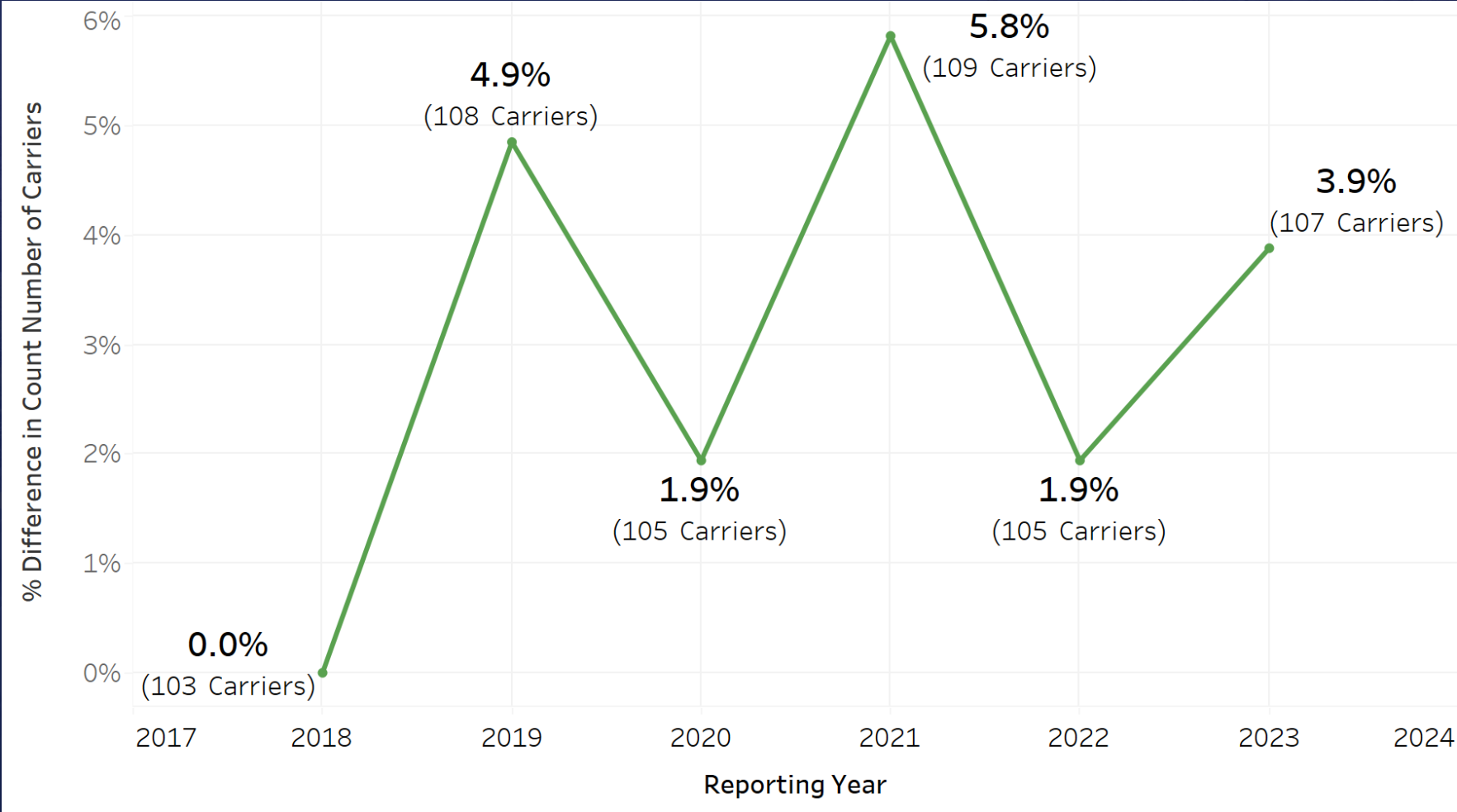
Evaluating the Oregon homeowners' market

- National Association of Insurance Commissioners (NAIC) collects information for insurance companies with more than \$50,000 in direct written premium
- Data updated annually through company submissions providing information on premium charged, policy counts, claims, nonrenewals, cancellations, and other variables
- Data on next slides for entire state and for all homeowners products from 2018-2023 unless noted

Oregon's homeowners market trends

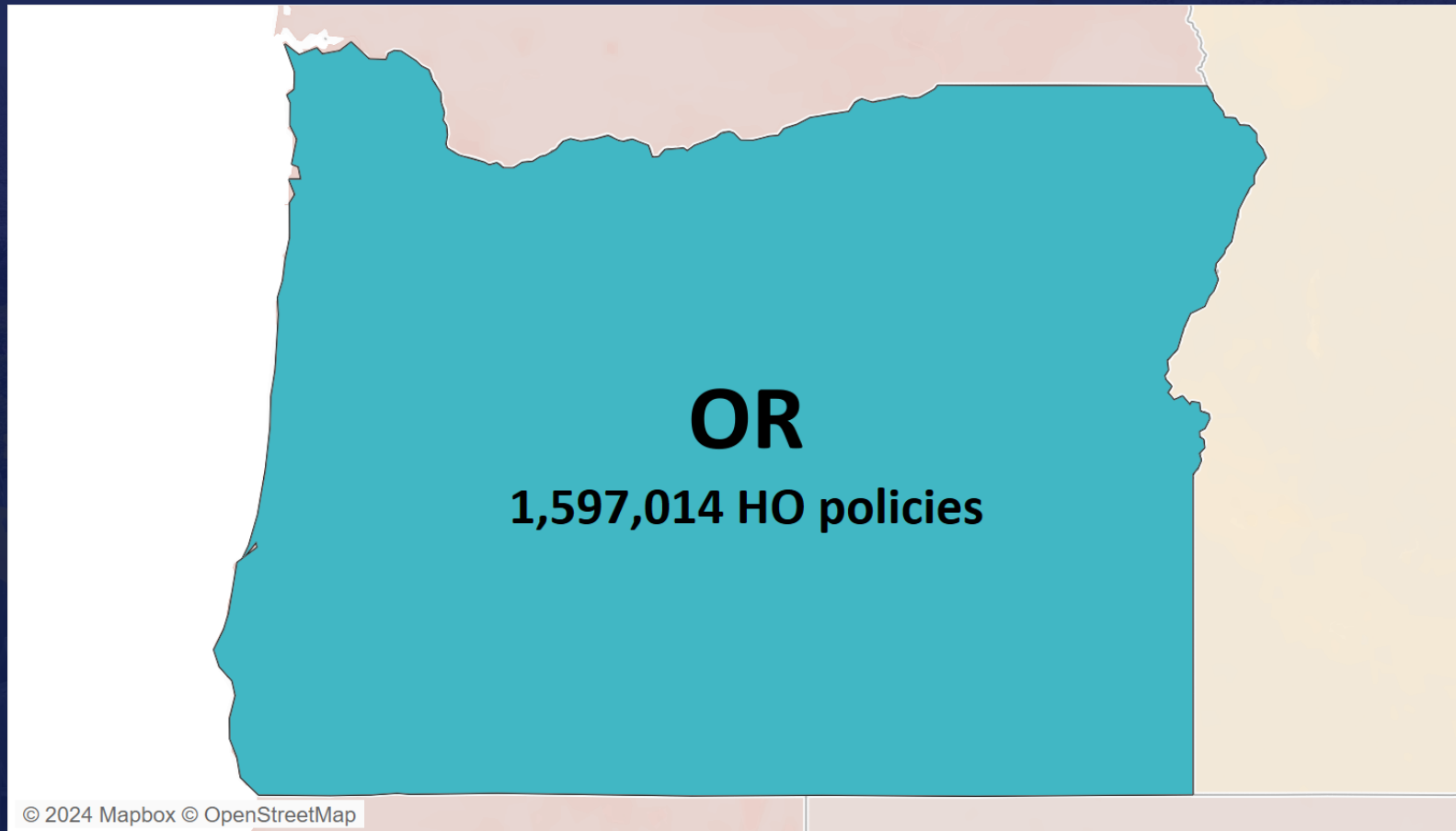
- In 2023, 107 companies provided coverage for about 1.6 million policyholders; 10% more standard policies than in 2018
- FAIR Plan enrollment flat through 2023, spiked in 2024; surplus lines enrollment down compared to 2018
- Average homeowners' insurance policy costs about \$886 in 2023 (up 52% from 2018); as of 2022, Oregon was near lower end compared to other similarly situated states
- Nonrenewals increased 11% from 2018-23, big jump 2022-23; cancellations for nonpayment increased 22%

Percent change in number of homeowners carriers



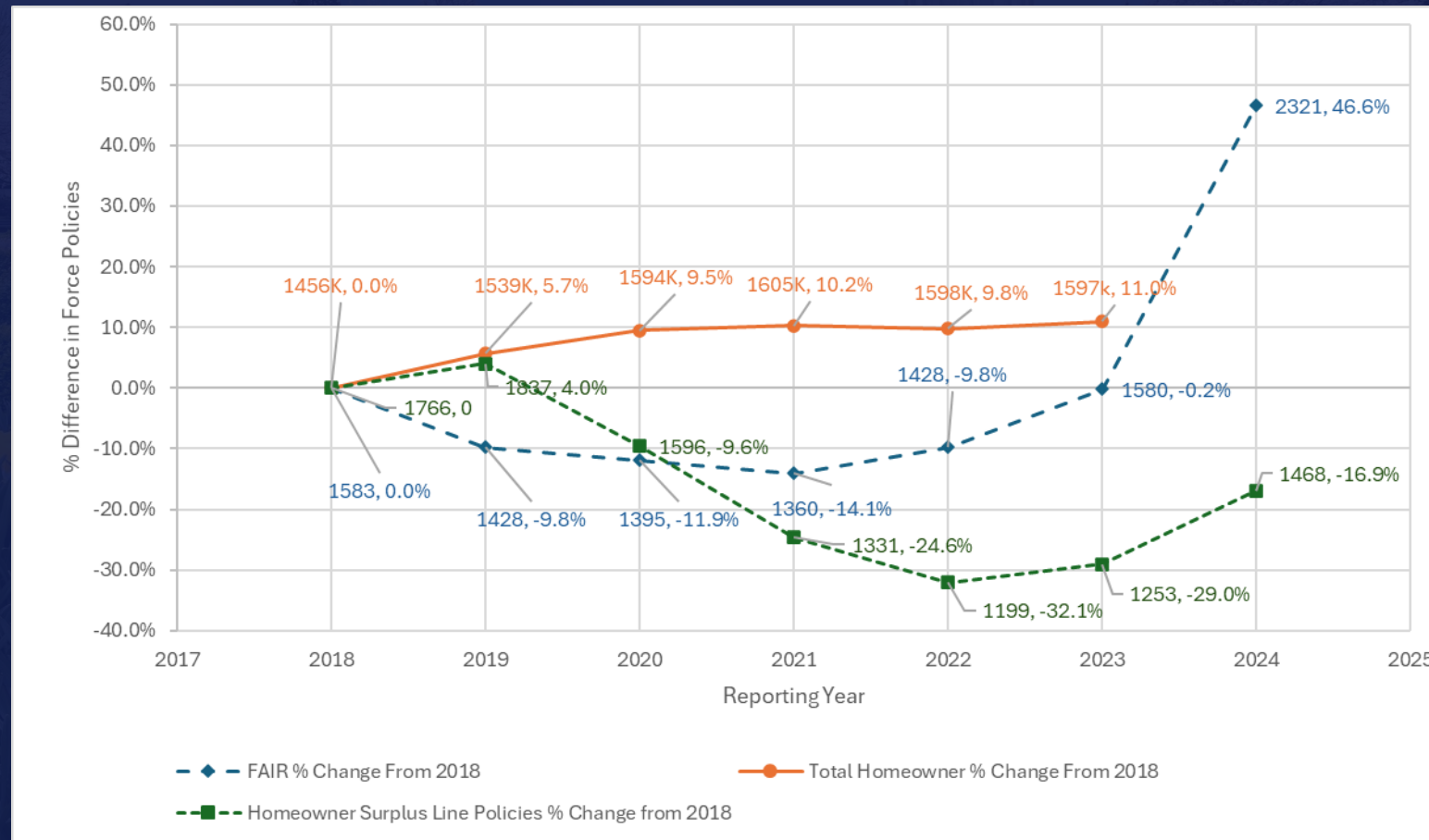
Source: NAIC Market Database

Homeowners policies in Oregon



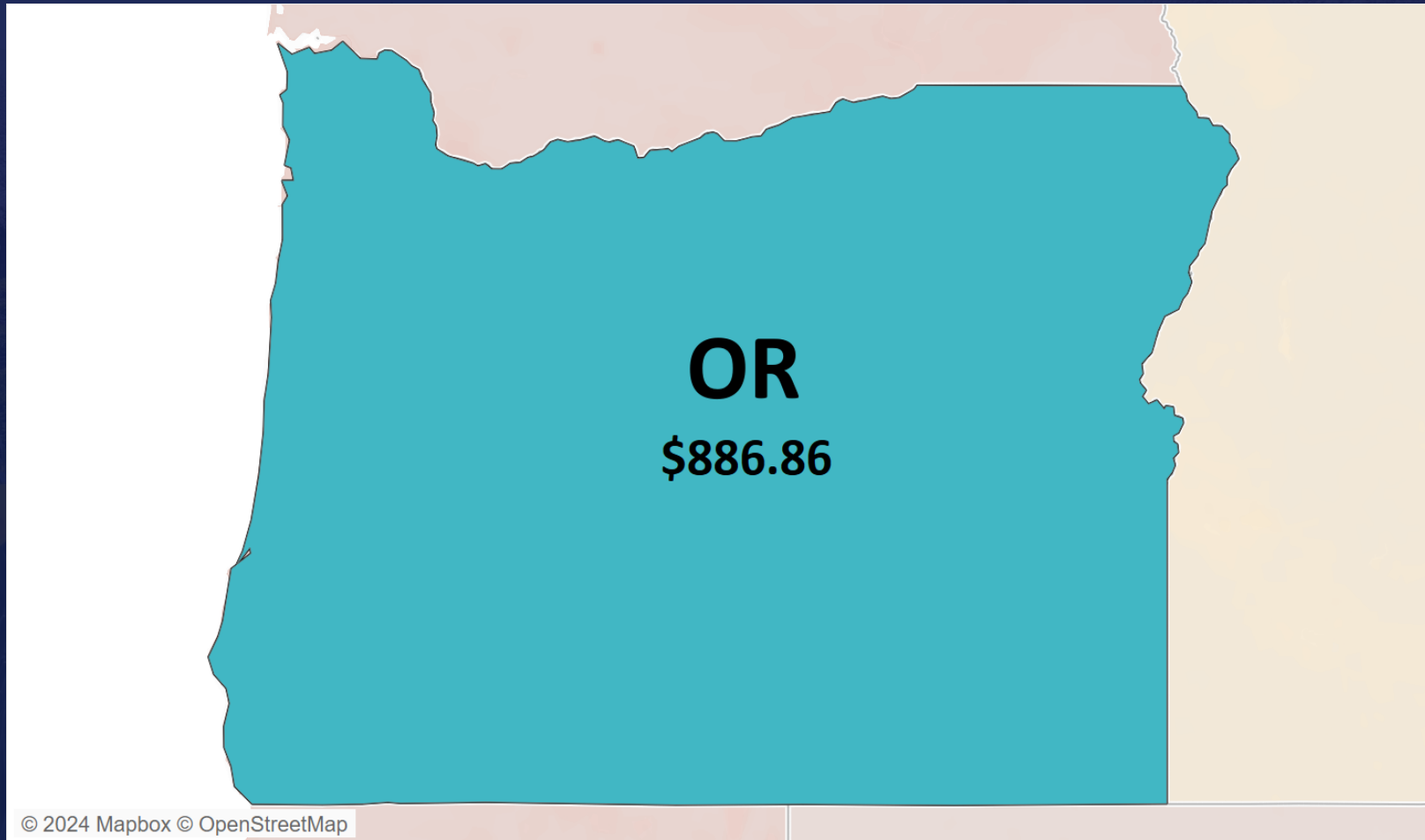
Source: NAIC Market Database

Change in number of homeowners policies in Oregon



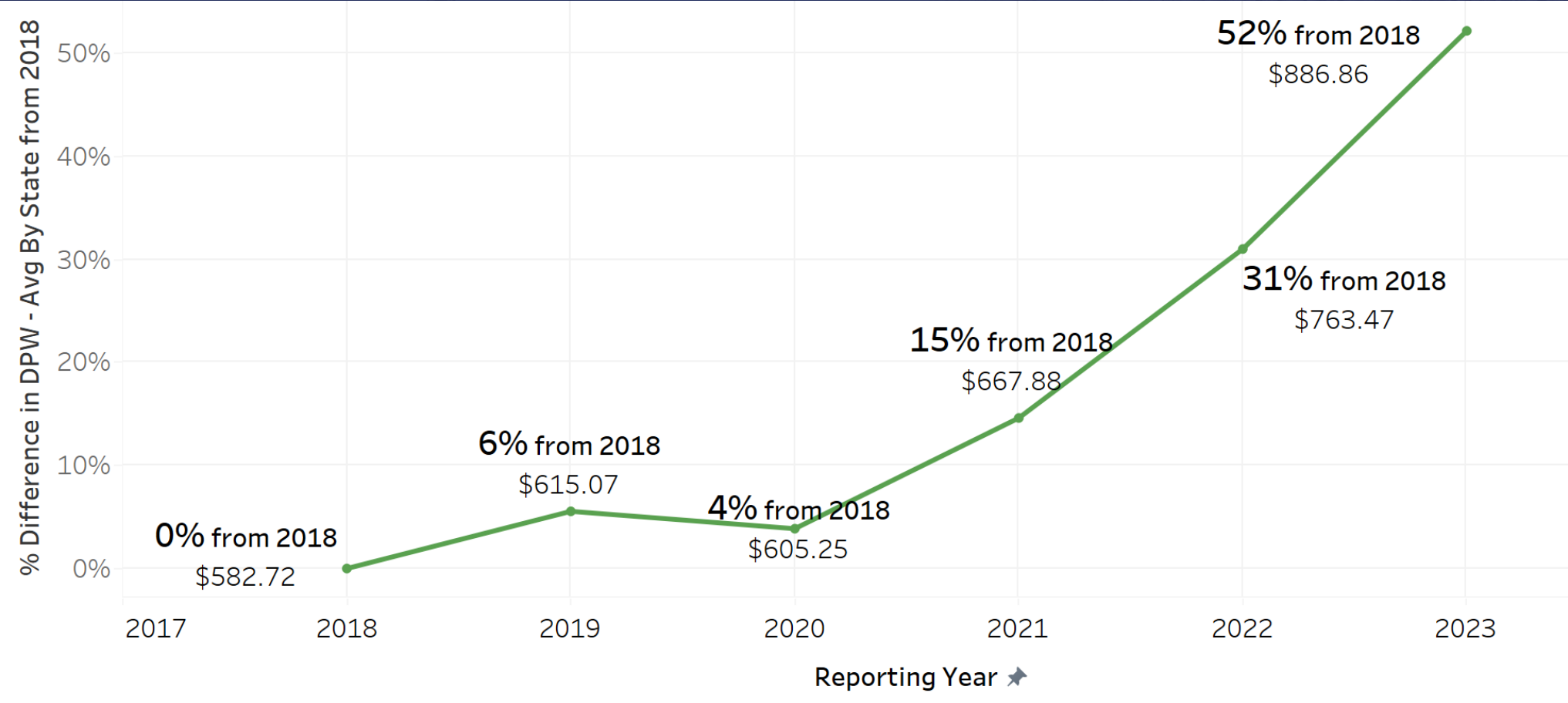
Source: NAIC Market Database, Oregon FAIR Plan Association, Oregon Surplus Line Association

2023 homeowners average price per policy



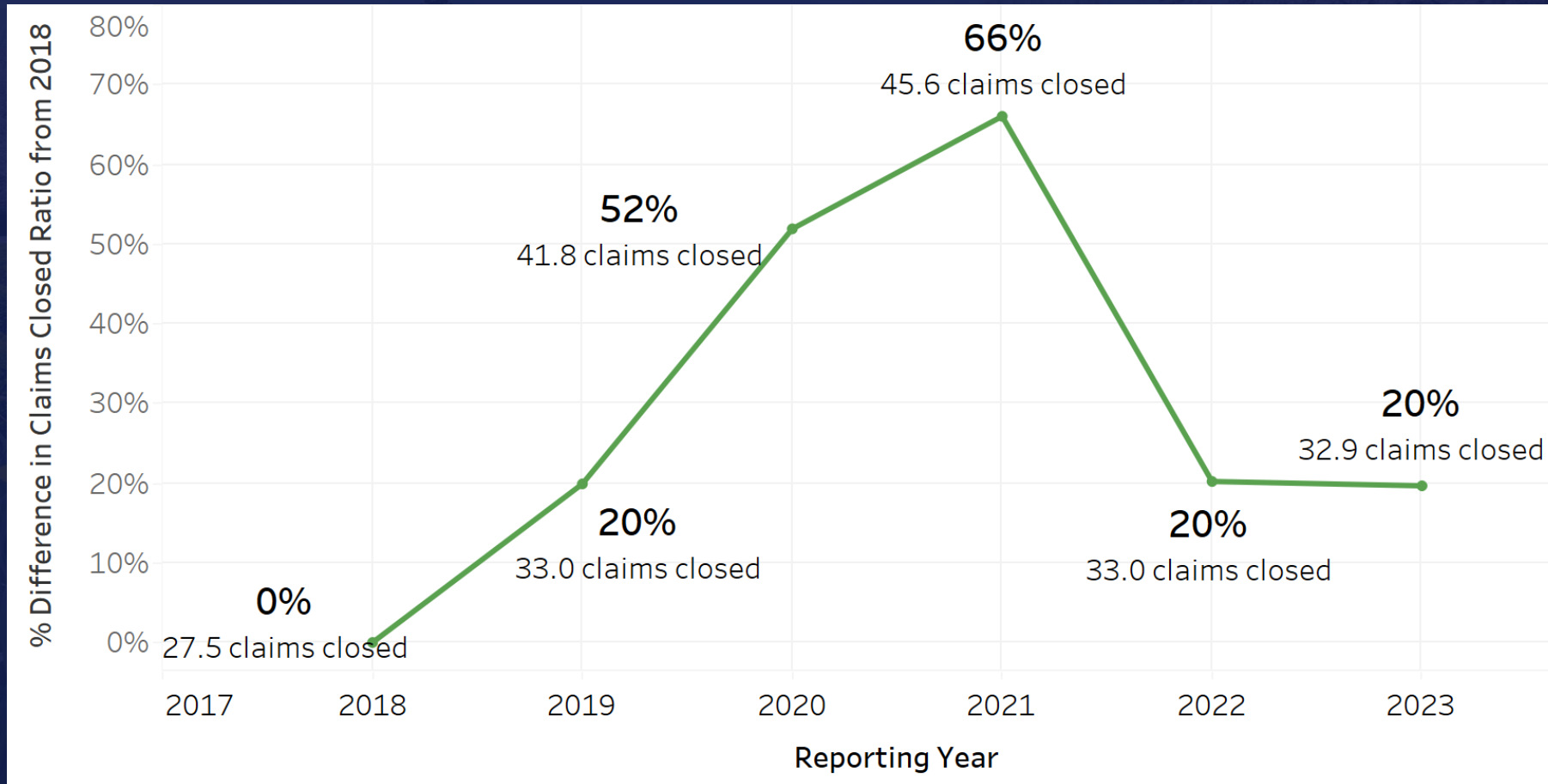
Source: NAIC Market Database

2018-2023 percent change in average direct premiums written



Source: NAIC Market Database

2018-2023 percent change in claims closed with payment per 1,000 policies



Source: NAIC Market Database

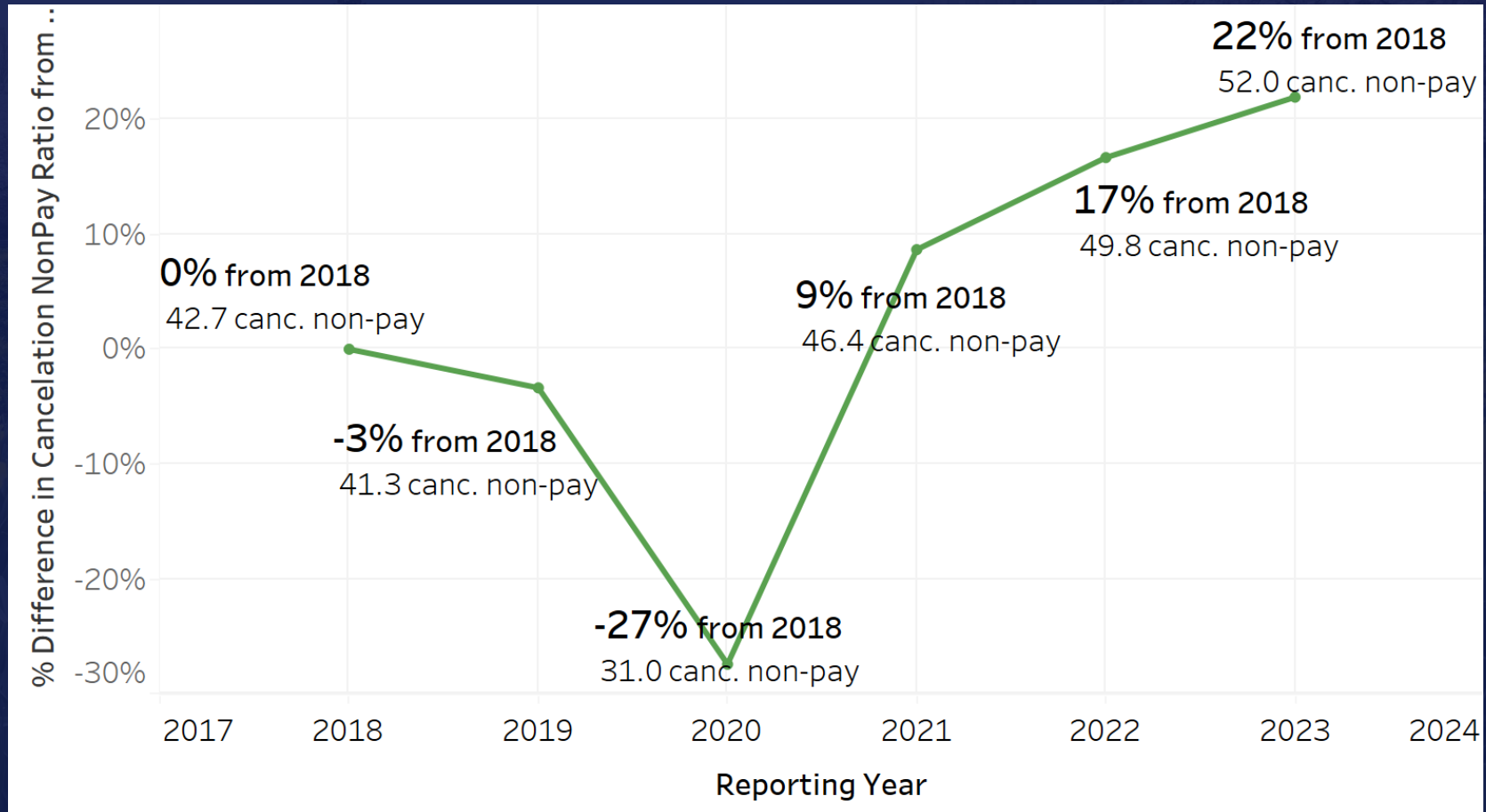
Oregon nonrenewals, cancellations (2023)

Oregon had nearly 1.6 million homeowner policies in force and saw lower rates of nonrenewals and company-initiated cancellations among similarly situated states

| | Number of affected policies | Ratio per 1,000 policies |
|---------------------------------|-----------------------------|--------------------------|
| Company-initiated cancellations | 8,349 | 5.2 |
| Nonpayment cancellations | 83,111 | 52.0 |
| Company-initiated nonrenewals | 12,446 | 7.8 |

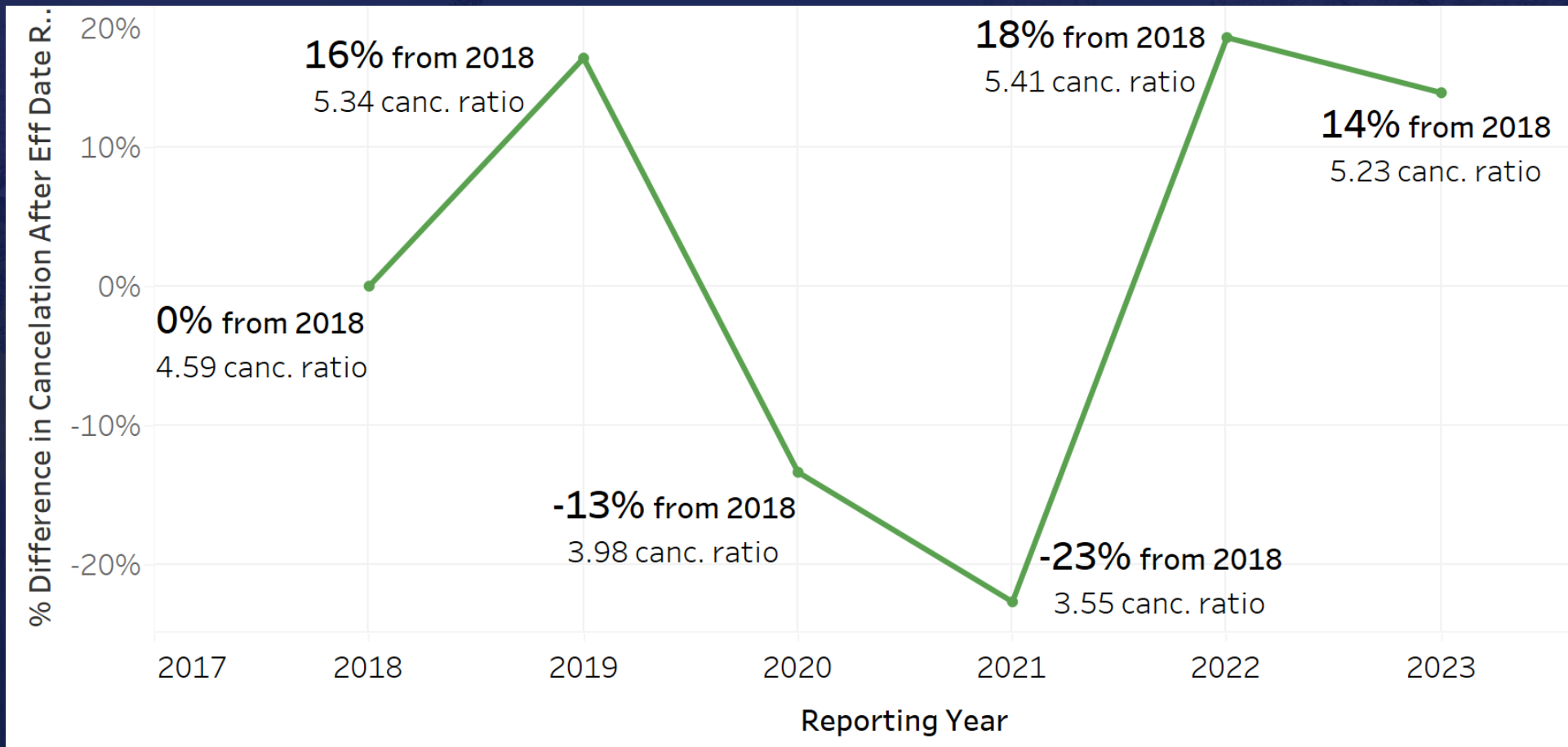
Source: NAIC Market Database

2018-2023 percent change in nonpayment cancellations per 1,000 policies

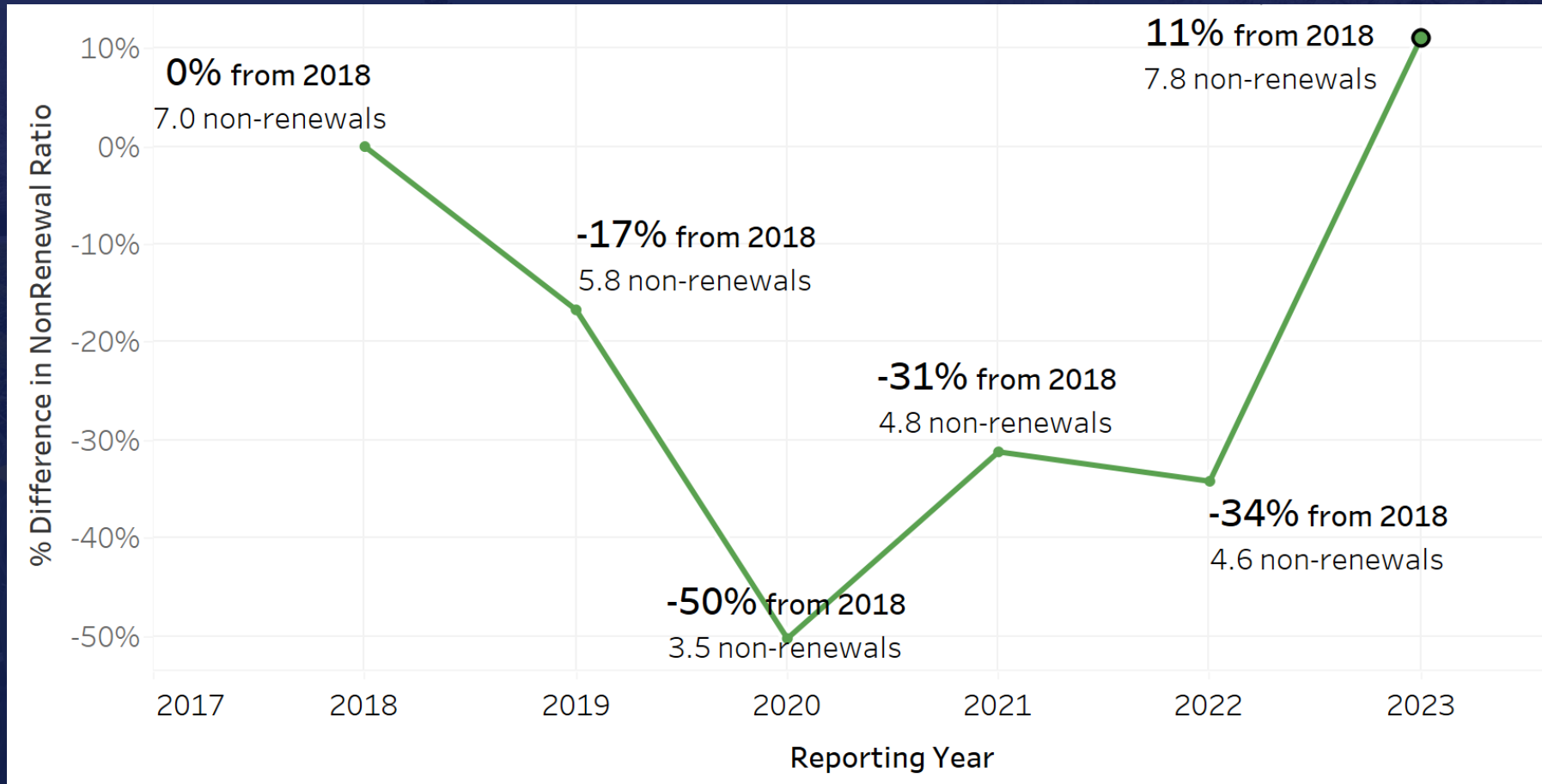


Source: NAIC Market Database

2018-2023 percent change in cancellations after effective date per 1,000 policies



2018-2023 percent change in nonrenewals per 1,000 policies



Source: NAIC Market Database

Oregon FAIR Plan

Home - Oregon FAIR Plan Assc X +

→ ↻ https://orfairplan.com ☆

☎ 503.643.5448 ✉ info@orfairplan.com

OFPA
Oregon FAIR Plan Association
The Insurance Market of Last Resort 🔍

Home Property Owner About ▾ Member Companies ▾ Agents ▾ Contact What's New

The OFPA is a non-profit association dedicated to providing an insurance market for owners of property in Oregon.

Agent Login New Agent Registration Pay Now I am a Property Owner Career Opportunities

Oregon FAIR Plan

- Approximately 2,300 active policies
- Limits increased in 2023, again this year
- Provides basic coverage for fire
 - Extra coverage available for contents (up to 70%), wind, hail, riot, civil commotion, damage caused by aircraft or vehicle, volcanic eruption and smoke, vandalism, and malicious mischief
- New “wrap around” available for dwellings through unique partnership with AccessOne80
 - Equates to an HO-3 homeowner policy (providing liability coverage, coverage for other perils like theft and water damage, ALE, etc.)

Wildfire insurance response: SB 82 (2023)

Four main elements:

- Improved consumer disclosure requirements
- Underwriting and rating plans reflect how an insurer addresses or considers:
 - Defensible space
 - Home hardening
 - Community-level mitigation
- Flexibility to extend rebuild and content replacement timelines
- Prohibition on using state wildfire risk map for insurance decisions

What can consumers do?

- Ask your insurance company for detailed information about decisions
- Take steps to reduce wildfire risk
- Ask your insurance company about eligible discounts and annual credit rerate
- Shop around: There are about 130 companies to choose from; be sure your agent has access to them
- Contact DFR with questions



Department of Consumer
and Business Services

DFR consumer advocates

1-888-877-4894 (toll-free)

dfr.insurancehelp@dcbs.oregon.gov

dfr.oregon.gov



Questions?