SB 85 A   STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Prepared By:	Erin Pischke, LPRO Analyst
Meeting Dates:	4/29, 5/6

WHAT THE MEASURE DOES:

The measure requires the Department of Consumer and Business Services and the Department of the State Fire Marshal, in collaboration with the Department of Forestry and insurance industry representatives, to evaluate and develop community-based wildfire risk mitigation strategies to reduce wildfire risks and improve insurance affordability in Oregon. It declares an emergency, effective upon passage.

Detailed Summary:

Requires Department of Consumer and Business Services (DCBS) and Department of the State Fire Marshal (OSFM), in consultation with Department of Forestry (ODF) and insurance industry representatives, to evaluate and develop recommendations for community-based wildfire risk mitigation actions, programs, and strategies to reduce wildfire risks and improve insurance affordability and availability in Oregon including, but not limited to, establishing defensible space, hardening buildings, obtaining specified certification, and promoting collaboration among residents through community risk reduction programs by OSFM and other specified organizations. Requires DCBS and OSFM to jointly submit a report to the State Wildfire Programs Director, the Wildfire Programs Advisory Council, and the interim legislative committees related to wildfire by February 2, 2026, including:

- Recommendations for legislative changes to improve the availability and affordability of homeowners insurance in the state.
- Discussion of insurance discounts or incentives for consumers who complete wildfire risk mitigation actions, programs, or strategies.
- Information from homeowner insurers (based on premiums underwritten annually) about how wildfire risk mitigation actions are treated in underwriting and rate decisions, including:
  - wildfire risk mitigation actions that significantly impact underwriting or rating decisions.
  - circumstances under which each mitigation action affects underwriting or rating decisions.
  - trends and variability among insurers in how they treat wildfire risk mitigation actions.
  - summary of best practices among insurers who consider wildfire mitigation actions in underwriting and rating decisions.

Finds that all records, documents, work papers, and other information obtained or disclosed to DCBS are confidential, privileged, and exempt from public disclosure. Sunsets January 2, 2027. Declares an emergency, effective upon passage.

Minimal Fiscal Impact

No Revenue Impact

HOUSE VOTE:Ayes, 28; Excused, 2

ISSUES DISCUSSED:

- Potential solutions for making home insurance affordable
- Collaboration between state agencies on insuring buildings with wildfire risk
- Wildfire-prepared home building and landscape standards

EFFECT OF AMENDMENT:

This summary has not been adopted or officially endorsed by action of the committee.

No amendment.

BACKGROUND:

In 2021, the Legislative Assembly passed Senate Bill 762, which directed the State Fire Marshal (SFM) to create a community risk reduction plan for Oregon. The program was developed to help communities identify and reduce wildfire risks through planning, education, and strategic investment. The SFM launched the Fire Adapted Oregon initiative and hired regional specialists to assist local communities with risk reduction. It also established grant programs for defensible space and community risk reduction efforts, funding projects and equipment for local governments and organizations.

In 2023, the Legislative Assembly passed Senate Bill 82. This law requires insurers to notify homeowners of policy cancellations, non-renewals, or premium increases due to wildfire risk. The notice is required to include property-specific wildfire risk information, mitigation actions to improve insurability, potential discounts, and wildfire risk classifications. Insurers must also provide public information on how mitigation actions affect underwriting and rates and may not use the state's wildfire risk map as the sole basis for policy changes.