

House Bill 3834

Sponsored by Representative LEVY B; Representatives EDWARDS, RESCHKE, WRIGHT

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act is about insuring against damage or loss caused by wildlife. The Act tells an agency to create a program for covering losses by private insurers that sell policies to protect against the damage or loss. The Act creates a new fund for the program. The Act gives money to put in the fund. (Flesch Readability Score: 74.4).

Directs the Oregon Department of Administrative Services to establish a program to provide reinsurance against the risk of economic loss for insurers that issue policies of insurance against damage or loss caused by wildlife.

Establishes the Wildlife Damage Reinsurance Fund, separate and distinct from the General Fund, for the department to use for reinsuring insurers that issue the policies.

Appropriates moneys to the department for deposit in the Wildlife Damage Reinsurance Fund.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to compensation for damage caused by wildlife; and declaring an emergency.

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

4 **SECTION 1. Sections 2 to 7 of this 2025 Act are added to and made a part of ORS 278.315**
5 **to 278.415.**

6 **SECTION 2. (1) As used in this section and sections 3, 4, 5 and 6 of this 2025 Act:**

7 (a) **"Insurer" has the meaning given that term in ORS 731.106.**

8 (b) **"Policy" has the meaning given that term in ORS 731.122.**

9 (c) **"Reinsurance" has the meaning given that term in ORS 731.126.**

10 (d) **"Subject property" means crops, forage and livestock and buildings, structures or**
11 **equipment used in agricultural operations, as defined in ORS 467.120.**

12 (e) **"Wildlife" means all animal species over which the State Fish and Wildlife Commis-**
13 **sion has jurisdiction, including game mammals, as defined in ORS 496.004, and fur-bearing**
14 **animals, as defined in ORS 496.004.**

15 (2) **The Oregon Department of Administrative Services shall establish a program to pro-**
16 **vide reinsurance against the risk of economic loss for insurers that issue policies of insur-**
17 **ance against damage or loss to subject property from the activities of wildlife. In establishing**
18 **the program, the Oregon Department of Administrative Services shall:**

19 (a) **Accept risks only from ceding insurers that the Department of Consumer and Busi-**
20 **ness Services has authorized to transact insurance in this state in a property or casualty line**
21 **of insurance that is appropriate for covering damage or loss to subject property from the**
22 **activities of wildlife.**

23 (b) **Consult the Department of Consumer and Business Services with respect to the ade-**
24 **quacy of a ceding insurer's capital, surplus and reserves before assuming a risk from the**
25 **ceding insurer.**

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 (c) Specify a maximum amount of coverage for all reinsurance policies the Oregon De-
 2 partment of Administrative Services issues, setting the maximum for each policy at an
 3 amount that:

4 (A) Provides adequate protection for ceding insurers and incentives for ceding insurers
 5 to issue policies of insurance against damage or loss to subject property from the activities
 6 of wildlife; and

7 (B) Protects and continues the soundness and solvency of the Wildlife Damage Reinsur-
 8 ance Fund established in section 3 of this 2025 Act.

9 (d) Otherwise comports with applicable provisions of the Insurance Code with respect to
 10 reinsurance and with sound principles of insurance.

11 (3) In order to create incentives for insurers to provide coverage for damage or loss to
 12 subject property, the Oregon Department of Administrative Services shall set as a priority
 13 issuing policies of reinsurance under this section in locations and in insurance markets in
 14 this state in which coverage for damage or loss to subject property from the activities of
 15 wildlife is inadequate.

16 (4) This section does not give an insurer a right to obtain reinsurance from the Oregon
 17 Department of Administrative Services if the department determines that the insurer does
 18 not have authority to transact insurance in this state, is inadequately capitalized, is finan-
 19 cially unsound or otherwise uninsurable or if the department determines that providing re-
 20 insurance for the insurer is otherwise inconsistent with sound principles of insurance or the
 21 actuarial soundness of the Wildlife Damage Reinsurance Fund.

22 **SECTION 3.** (1) There is established the Wildlife Damage Reinsurance Fund within the
 23 State Treasury, separate and distinct from the General Fund, which the Oregon Department
 24 of Administrative Services shall use for the purpose of reinsuring insurers that issue policies
 25 that cover the risk of damage or loss to subject property from the activities of wildlife. The
 26 moneys in the Wildlife Damage Reinsurance Fund may be invested as provided in ORS 293.701
 27 to 293.857 in investment funds, as defined in ORS 293.701. Interest the fund earns must be
 28 credited to the fund.

29 (2) To provide appropriate accountability, the Wildlife Damage Reinsurance Fund must
 30 be administratively separated from other funds that the department administers and into
 31 which the department deposits premiums and other moneys and from which the department
 32 pays claims that are not the reinsurance described in section 2 of this 2025 Act.

33 (3) The State Treasurer shall set aside and credit to the Wildlife Damage Reinsurance
 34 Fund all moneys the department receives as payment of premium, as appropriations or from
 35 other sources that are dedicated specifically for use in the reinsurance described in section
 36 2 of this 2025 Act. The moneys in the Wildlife Damage Reinsurance Fund are continuously
 37 appropriated to the department to carry out the purposes set forth in section 2 of this 2025
 38 Act.

39 **SECTION 4.** (1) The Legislative Assembly intends that the Wildlife Damage Reinsurance
 40 Fund established in section 3 of this 2025 Act operate on an actuarially sound basis and that
 41 the rates and charges for policies of reinsurance reflect this policy.

42 (2) In any year when the moneys in the Wildlife Damage Reinsurance Fund are not suf-
 43 ficient to keep the fund or any of the fund's components actuarially sound and to make all
 44 payments required under applicable law, moneys may be advanced from other funds in the
 45 State Treasury under the provisions of ORS 293.205 to 293.225. The Joint Committee on Ways

1 and Means of the Legislative Assembly, if the Legislative Assembly is in session, or the
 2 Emergency Board, if the Legislative Assembly is not in session, must approve any advance
 3 to the Wildlife Damage Reinsurance Fund before the advance occurs.

4 (3) Moneys advanced to the Wildlife Damage Reinsurance Fund as provided in this section
 5 must be repaid from the Wildlife Damage Reinsurance Fund in annual installments, with
 6 interest as provided in ORS 293.220. The Oregon Department of Administrative Services shall
 7 fix the amount of the installments at an amount that can reasonably be expected to liquidate
 8 the indebtedness of the Wildlife Damage Reinsurance Fund in not more than 10 years.

9 **SECTION 5.** (1) The Wildlife Damage Reinsurance Fund established in section 3 of this
 10 2025 Act is a trust fund exclusively for the uses and purposes specified in section 2 of this
 11 2025 Act, except that this provision does not amend or impair the force or effect of section
 12 3 of this 2025 Act or any other law of this state that specifically authorizes investing moneys
 13 from the fund.

14 (2) Subject to the right of the State of Oregon to direct legislatively the disposition of
 15 any surplus in excess of reserves and surplus deemed actuarially necessary according to re-
 16 cognized insurance principles, and necessary in addition thereto to assure continued fiscal
 17 soundness of the Wildlife Damage Reinsurance Fund, the State of Oregon declares that the
 18 state has no proprietary interest in the Wildlife Damage Reinsurance Fund.

19 **SECTION 6.** (1) The Oregon Department of Administrative Services may set aside, from
 20 interest and other income received through investment of the Wildlife Damage Reinsurance
 21 Fund established in section 3 of this 2025 Act, that part of the income that the department
 22 considers necessary to establish and maintain in the fund one or more reserve accounts. The
 23 department shall maintain and use the reserve accounts to offset gains and losses of invested
 24 capital.

25 (2) The department may set aside such other reserves within the Wildlife Damage Rein-
 26 surance Fund as the department deems necessary to:

- 27 (a) Pay the administrative expenses and related expenses the department incurs in
 28 transacting insurance under section 2 of this 2025 Act; and
- 29 (b) Ensure the actuarial soundness of the fund.

30 **SECTION 7.** The Oregon Department of Administrative Services shall annually report, in
 31 the manner prescribed in ORS 192.245, to committees or interim committees of the Legisla-
 32 tive Assembly related to insurance on:

33 (1) Activities under the program described in section 2 of this 2025 Act since the previous
 34 report under this section.

35 (2) Expenditures from the Wildlife Damage Reinsurance Fund described in section 3 of
 36 this 2025 Act since the previous report under this section.

37 **SECTION 8.** There is appropriated to the Oregon Department of Administrative Services,
 38 for the biennium beginning July 1, 2025, out of the General Fund, the amount of \$_____ for
 39 deposit in the Wildlife Damage Reinsurance Fund established by section 3 of this 2025 Act.

40 **SECTION 9.** This 2025 Act being necessary for the immediate preservation of the public
 41 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
 42 on its passage.