Senate Bill 85 Report
As Required by Senate Bill 85 (2025)

February 2, 2026

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About Oregon DFR:
The Division of Financial Regulation protects consumers and regulates insurance, depository institutions, trust companies, securities, and consumer financial products and services and is part of the Department of Consumer and Business Services. Visit: dfr.oregon.gov.

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I. Executive summary

Wildfire presents fundamentally different challenges when compared to other catastrophes like earthquakes, hurricanes, and tornadoes. It is self-propagating, meaning fire creates conditions for even more fire. As wildfire has increasingly intersected with our built environment, Oregon has responded with a comprehensive strategy focused on fire preparedness, landscape resilience, community risk reduction, response systems, insurance consumer protections, and public education.

This report reflects a coordinated, multi-agency effort to align wildfire risk reduction measures with insurance market outcomes. Oregon is – and has been – moving in the right direction with additional work underway to achieve greater availability and affordability of homeowners insurance coverage. The mechanisms to get to this outcome are evolving in conjunction with continuing collaboration on multiple wildfire programs, including implementation of pilot programs, and gathering and analyzing emerging data and fire science from wildfire losses. State agencies involved request continued support from the Legislature for the work that is in place which allows for relevant data to be collected, and for demonstrated mitigation successes to be determined and repeated.

Senate Bill 85 (SB 85) was enacted during the 2025 legislative session. The bill directs the Department of Consumer and Business Services (DCBS), the Oregon State Fire Marshal (OSFM), in consultation with the Oregon State Forestry Department (ODF) and insurance industry representatives, to evaluate how wildfire mitigation actions can translate into meaningful insurance incentives that improve both affordability and availability of homeowners insurance in Oregon.

Specifically, SB 85 requires:

- Recommendations for legislative changes
- A summary of mitigation actions, programs, or strategies that insurers may recognize
- A summary of how insurers treat wildfire mitigation in underwriting and rating decisions
- Incentives that insurers could provide to homeowners who complete verified wildfire risk mitigation actions, programs, or strategies

SB 85 continues the work of translating scientifically validated wildfire mitigation actions and measures into actuarially credible insurance incentives. While meaningful progress has been made, additional time, coordination, and data are necessary to ensure mitigation efforts reliably result in both insurance benefits for Oregon homeowners and a stable, healthy insurance marketplace.

II. Background and context: Oregon's wildfire and insurance landscape

A. Oregon's recent wildfire history

Oregon's property insurance market has faced pressure in recent years, specifically since the 2020 Labor Day wildfires. Those fires burned more than 1.2 million acres, and destroyed about 5,000 homes and businesses. Nearly 500,000 residents were under evacuation notices, more than 40,000 were Level 1 (go immediately), and 11 human fatalities occurred. These wildfires marked an inflection point that accelerated both wildfire losses and subsequent statewide policy responses.

B. Multi-agency approach to wildfire resilience

Wildfire resilience is not the responsibility of one agency or sector to find solutions. Oregon has taken a multi-agency, multi-sector approach, recognizing that insurance outcomes are shaped by building codes, emergency response, land use, and consumer behavior, to name a few. The Division of Financial Regulation (DFR), within DCBS, for example, works closely with partner state agencies – ODF and OSFM, as well as the Building Codes Division (BCD), another division in DCBS. Each of these agencies, in some capacity, work with local governments, insurers, organizations, and consumers.

The level of coordination among our agencies and sectors ensures that mitigation investments are beginning to be aligned with insurance, that fire science continually informs building codes and land use decisions, and that insurance stakeholders remain informed about statewide and local risk-reduction efforts. It's important that insurance companies are aware of, and are able to respond to, mitigation measures and fire science when making underwriting and rating decisions. However, this work is still evolving, and additional time is critical to fully operationalize these efforts.

III. Legislative foundation: Oregon's wildfire and insurance reforms

Oregon's wildfire and insurance policy framework reflects years of sustained legislative action. Numerous bills have passed to respond to wildfire disasters and to develop solutions. Bills have also addressed insurance issues related to fire:

A. Senate Bill 762 (2021): Building a resilience framework

SB 762 (2021) focused on three core areas – wildfire preparedness and response, resilient landscapes, and fire-adapted communities. The bill established a statewide

framework for action to strengthen forest and landscape resilience, reduce catastrophic wildfire risk, and improve community preparedness. Key components included utility wildfire protection planning, defensible space requirements, updates to evacuation and land use planning, adoption of wildfire resilient building standards, public health initiatives to address wildfire smoke, and expanded use of prescribed fire through ODF's Certified Burn Manager Program. Notably, 65 individuals have been qualified as a certified burn manager. SB 762 also established ODF's Landscape Resiliency Program to support landscape mitigation and hazardous fuel reduction efforts.

SB 762 further directed ODF to develop a statewide wildfire risk map to inform planning for wildfire response and public awareness. When a version of the map was unveiled in 2022, concerns arose that insurers were using the map in underwriting and rating decisions. In response, DFR conducted a formal data call, and determined that insurers were not using the state map for those purposes and did not plan to do so. To provide additional clarity and reassurance, SB 82 (2023) prohibited insurers from using any state wildfire map in rating and underwriting.

B. Senate Bill 82 (2023): Consumer protection and transparency

SB 82 (2023), effective Jan. 1, 2024 strengthened consumer disclosures so that policyholders better understand nonrenewals, premium increases, and any actions that may improve insurability. The bill required insurers to recognize wildfire mitigation efforts in underwriting and rating, including property-level actions such as defensible space and home hardening, as well as community-level mitigation actions. SB 82 also provided greater flexibility for rebuilding homes and for property replacement timelines when delays are outside of an insured's control. SB 82 further prohibited insurers from using any state wildfire risk map to increase premiums, or cancel or nonrenew homeowners insurance policies. Insurers continue to use proprietary wildfire risk models and maps using their own data.

Parallel to these statutory changes, Oregon's Fair Access to Insurance Requirements (FAIR) Plan Association (OFPA), the insurer of last resort in Oregon, adopted DFR's non-legislative proposal to increase coverage limits from $400,000 to $600,000 for residences and increase coverage limits from $700,000 to $1 million for commercial properties. These changes represent a significant improvement in coverage availability, particularly for properties that may be exposed to wildfire risk.

C. Senate Bill 85 (2025): Translating mitigation into insurance incentives

SB 85 (2025) focuses on the complex interface between fire science, mitigation measures, and insurance pricing – directing agencies to evaluate mitigation strategies at the property and community level; assess insurer practices regarding recognition of mitigation; and identify pathways for insurance incentives grounded in science and having actuarial credibility. As previously stated, there is a pathway for aligning wildfire mitigation

with insurance outcomes. That pathway is still evolving and is informed by multi-agency collaboration, data, and experience.

D. Complementary legislation

Other key measures providing significant progress include:

- **HB 2982 (2023)** required insurers, following a major disaster, to offer policyholders a minimum of 70 percent of previously purchased insurance coverage for contents, without simultaneously requiring personal property inventory. HB 2982 also required insurers to notify the insured that additional benefits may be available if inventory documentation is submitted. Insurers were further required to disclose depreciation methodology under certain circumstances, and to make payments for covered costs within specified timeframes. To implement these provisions, DFR developed administrative rules establishing a certification process that allows wildfire survivors to attest that their residence was furnished and that their loss resulted from a major disaster, enabling a 70 percent contents payment without itemizing any individual belongings.

- **HB 3940 (2025)** provided for dedicated and durable funding for ODF and OSFM to collaborate on Oregon's 20-year landscape resiliency strategy and community risk reduction programs.

- **HB 2571 (2021)** directed DFR to conduct a study on prescribed fire liability insurance for prescribed burning on private land. The study examined the availability of insurance coverage, barriers to access, the frequency and severity of escaped burns, and how Oregon's liability framework compared with other states. DFR evaluated existing insurance products, including coverage limits, underwriting requirements, and pricing practices. The study found that the market for prescribed fire liability coverage is very small, with cost identified as a key barrier. However, affordability was difficult to assess because prescribed fire liability coverage is typically integrated within general liability policies rather than being priced separately.

- **SB 80 (2023)** made updates to SB 762 (2021) including changes to the statewide wildfire hazard map, changes related to cleaner air spaces, established requirements for financial assistance related to defensible space, established both the Landscape Resiliency Fund and the Community Risk Reduction Fund, and instructed ODF to launch the Prescribed Fire Liability Pilot Program.

- **HB 4016 (2024)** introduced changes to the Prescribed Fire Liability Pilot Program, and intended to increase the use of prescribed fire and cultural burning and support fire practitioners by providing liability coverage for burns enrolled in the program. There have been 45 registered burns into the program with no claims made as of January 2025.

SB 83 (2025) repealed the statewide wildfire hazard map and associated defensible space requirements. SB 83 directed BCD to adopt a wildfire hazard mitigation building code that municipalities may adopt, directed OSFM to establish a grant program around retrofitting dwellings for wildfire resilience, and directed OSFM to establish a community risk reduction program.

HB 5020 (2023) provided $2.5 million dollars for the Small Forestland Grant Program which ODF established to provide grant opportunities to support small forestland owners in order to reduce wildfire risk and create resiliency on the landscape.

IV. Homeowner insurance market

In recent years, Oregon has experienced record-breaking wildfire impacts, including acreage burned, structures lost, evacuations, and overall loss costs. These trends reflect broad, ongoing conditions as opposed to isolated, once per century events. This is driven by expanding development in the wildland-urban interface coupled with climate change impacts. The result is high-severity wildfires occurring on a more frequent basis. Property and casualty insurers play a central role in helping Oregonians recover from catastrophic losses by pooling risk and distributing it. The vast majority of premium dollars collected are used to pay policyholder claims.

Insurance affordability and availability are influenced by several interrelated factors, including escalating wildfire losses; rising labor and material costs; global reinsurance constraints; and increased reliance on catastrophe modeling. As losses and costs arise, insurers must adjust premiums or manage their exposure in order to remain solvent.

A key piece of the market is the Oregon FAIR Plan, which has been relatively stable over the last decade in terms of the number of policies on the plan. Premiums have been trending slightly upward, likely due to the factors affecting the regular homeowner insurance market, as well as the types of properties written. Overall, it's estimated that there are approximately 2,500 active FAIR Plan policies today. Compare that figure to about 1.6 million homeowner insurance policies total in Oregon as of 2023, according to the National Association of Insurance Commissioners (NAIC) Market Database. There is capacity in the FAIR Plan but it is truly a market of last resort designed to provide temporary coverage until the policyholder can move to the standard homeowner insurance market.

Year	FAIR Plan Dwelling fire total active policies	Average annual premium for active policies	Cancellations for nonpayment during year	Policies that canceled during year
2014	1,934	$412	206	195
2015	1,852	$429	194	218
2016	1,795	$443	172	209
2017	1,681	$451	175	203
2018	1,583	$462	157	195
2019	1,428	$461	151	188
2020	1,395	$474	121	134
2021	1,360	$512	136	125
2022	1,438	$560	117	133
2023	1,547	$808	131	205
2024	1,942	$835	167	214
2025	2,585	$921	205	306

DFR commonly issues data calls to the insurance industry to enforce provisions of the Insurance Code. These require companies in the admitted market to provide prompt, truthful, and detailed information. The chart below shows data regarding cancellations and nonrenewals per 1,000 homeowner policies in force.

Cancelations and Nonrenewals per 1k policies in force

Data Year	Cancelations for Nonpayment	Company Initiated Cancelations	Company Initiated Nonrenewals
2018	42.7	4.6	7.0
2019	41.3	5.3	5.8
2020	31.0	4.0	3.5
2021	46.4	3.6	4.8
2022	49.8	5.4	4.6
2023	52.0	5.2	7.8
2024	53.6	4.5	15.0

There was a large NAIC data call that each state participated in to collect data on more than 80 percent of the U.S. property insurance market by premium volume from more than 400 insurance companies. Some of the observations from the data call include: the

average premium is growing at a rate higher than the consumer price index (CPI); total losses and average losses per claim are trending upward, with a spike in 2020 driven by wildfires; and the leading driver of nonrenewals and cancellations is nonpayment.

A. Loss experience and replacement costs

Homeowners insurance affordability and availability are influenced by many factors, most notably rising losses from increasingly frequent and severe wildfires. As fire season has grown longer and more intense, insured losses have increased substantially. For decades, wildfire accounted for millions of dollars in claims. But since 2020, Oregon alone has experienced nearly $3 billion in insured wildfire losses.

At the same time, advances in data analytics and granularity are enabling more property-specific risk assessments in modeling, allowing insurers to better distinguish individual, parcel-level risk. Over time, this could support more targeted underwriting in high risk areas. These tools require ongoing data, validation, and consistent application.

Broader cost pressures – including rising labor costs, material prices, and recent tariffs – have increased repair, replacement, and rebuilding costs. All of these cost pressures contribute to higher insurance premiums.

B. Reinsurance pressures

Reinsurance allows insurance companies to transfer a portion of their risk to other companies, thereby increasing their capacity to write new policies and to manage exposure from catastrophic losses. Catastrophe reinsurance treaties in particular are designed to protect insurers from events that are both low-frequency and high-severity.
Reinsurance costs directly affect consumers. As reinsurance costs rise, insurers face higher operating costs and typically pass those onto policyholders through higher premiums to remain financially solvent. In recent years, the property and casualty reinsurance market has been under sustained pressure due to increased catastrophic losses, inflation, the Covid-19 pandemic, supply chain disruptions, and broad global economic conditions.

DFR conducted a reinsurance data call spring of 2025 with a focus on catastrophe treaties. The data call focused on calendar years 2018 through 2024. A key finding was that premium increased at a higher rate (205 percent) than coverage purchased (90 percent).This is also reflected in the 38 percent decrease in coverage per $1,000 of premium from 2018 to 2024. The most significant change in all values took place between 2020 and 2021.

Additional findings include:

- All respondents identified affordability as a factor impacting the ease of reinsurance treaty placement since 2018

- 75 percent of respondents stated that obtaining coverage was harder or significantly harder in 2024 as compared to 2018
- 75 percent identified offered coverage, and 56 percent identified the number of options as other leading factors

Another study is currently ongoing regarding reinsurance per SB 829 (2025). This bill requires DFR to produce an annual report to the legislature each December, addressing the following:

- The feasibility and cost of a state-operated reinsurance program to stabilize and reduce insurance premiums of property and liability insurance for affordable housing as defined in ORS 197A.445, homeowners, single family/multifamily/high density living dwellings, and other residences in Oregon and any additional insurance coverages needed by affordable housing providers/operators
- An evaluation of alternative insurance mechanisms, including claims capture systems and risk pooling
- A survey of existing insurance products in the admitted market, surplus lines, and the Oregon FAIR Plan Association, including a ZIP code-level analysis of coverage availability and affordability

DFR does not currently provide payments or programs to reduce property or liability insurance costs incurred by affordable housing entities. Oregon does not have a state-sponsored reinsurance program, or any other similar program, designed to maintain or promote the availability of property or liability insurance coverage or that provides price stability for insurance premiums paid by affordable housing entities or homeowners/owner occupied residences.

DFR will contract with an outside third party to conduct the study on the costs and availability of property and liability insurance for affordable housing and shelter providers. The study will also determine the feasibility of creating and operating a state reinsurance program, or some alternative solution that promotes insurance pricing stability and increases availability of coverage to affordable housing, multifamily housing, owner-occupied residences, and other residences in Oregon. The report will be submitted to Oregon Legislators no later than Dec. 15, 2026, and will be used to inform new proposals related to stabilizing and/or reducing insurance premium costs and increasing the availability of property and liability insurance coverage to Oregon affordable housing and shelter providers.

C. Risk modeling and underwriting

Insurance relies on actuarial analysis and catastrophe modeling to forecast risk, spread losses across a large pool of policyholders, and set premiums that will be sufficient enough to cover anticipated claims, operating costs, and statutory capital requirements. As wildfires have become more severe and frequent, maintaining this balance is increasingly challenging. To remain solvent, insurers may raise premiums, limit their exposure in high risk areas, or use a combination of different approaches.

Underwriting and pricing decisions are informed by proprietary data and risk models that analyze historical losses and forward-looking projections. These models, which are developed either internally at the company or obtained from third-party vendors, are not publicly disclosed and are an integral component of insurers' risk management. They help determine which risks can be insured, how coverage should be priced, and under what specific terms.

Wildfire risk assessment relies on multiple modeling approaches, including parcel-level risk scores and catastrophe models. Parcel-level risk scores evaluate property-specific risk using factors like vegetation, topography, access, and mitigation measures. Catastrophe models on the other hand, simulate large scale wildfire events to estimate aggregate losses. These tools are permitted to be used for both rating and underwriting. Catastrophe models are particularly important where historical data is limited or where wildfire behavior is changing – which allows insurers to incorporate updated information on fire behavior, building construction materials, and mitigation measures. These models are routinely updated to reflect recent loss experience.

It's very important to distinguish between hazard and risk. A hazard map may identify areas of elevated fire hazard but *does not* account for parcel-level vulnerabilities or mitigation measures, and therefore are not used for underwriting or rating. Insurers instead rely, as they have for decades, on granular, risk-based private models – continuing longstanding industry practice.

D. Other coverage options

A well-functioning insurance market depends on insurers' ability to charge rates that adequately reflect the risks that they are taking on. As catastrophe losses and costs increase, particularly in jurisdictions facing higher risk exposure and/or regulatory constraints, insurers may respond by increasing premiums or limiting exposure based on their risk appetite. In this environment, the non-admitted market and residual market serve as a backstop for consumers.

OFPA operates like a small insurance company, and provides basic property insurance for residential, commercial, and farm properties when coverage is unavailable in the admitted market. Its limits, which increased in 2023, are $600,000 on residential properties and $1 million on commercial properties. There are also optional endorsements for additional perils. A wraparound homeowners product is also available through a private market partnership. Eligibility for a FAIR Plan policy requires being declined by insurers in the admitted market.

Consumers may also access coverage through the surplus lines market, which offers coverage for risks not typically covered in the standard market. Surplus lines also operates differently and has less regulatory oversight than the standard market. It also tends to be pricier since there is an elevated risk profile being absorbed.

V. Risk mitigation as the long-term solution

Mitigation is a key long-term strategy for addressing the underlying cost drivers of insured losses and adds value by reducing risk. While pre-disaster mitigation is cost effective to help avoid catastrophic losses, additional time and data are needed to translate specific mitigation actions into actuarially sound insurance outcomes.

A. Property-level mitigation

Property level mitigation typically includes defensible space and home hardening measures. Defensible space is defined in Oregon Revised Statute (ORS) 476.390 to mean “a natural or human-made area in which material capable of supporting the spread of fire has been treated, cleared, or modified to slow the rate and intensity of advancing wildfire and allow space for fire suppression operations to occur.” The most critical area is the home ignition zone, which encompasses the first 0-5 feet around a structure, where clearing flammable materials can significantly reduce wildfire risk.

Home hardening measures focus on reducing structural vulnerability and commonly include fire-resistant roofing and siding, ember-resistant vents, enclosed soffits and eaves, fire-resistant windows, protected decks and surfaces, noncombustible gutters, and ignition-resistant skirting for manufactured homes.

Building codes, including the Oregon Residential Specialty Code (R327), play an important role in reducing wildfire losses over time. No code can completely eliminate risk, but strong, updated codes improve the odds that homes will withstand wildfires with less damage. Ongoing code updates ensure that rebuilding after disasters present an opportunity to incorporate improved resilience standards.

In 2021, Oregon passed SB 762 to reduce wildfire risk, especially in areas where homes and wildlands meet (called the wildland-urban interface, or WUI). The law required OSFM to create a statewide defensible space code for properties in high-risk wildfire areas. This code was based on sections of the International Wildland-Urban Interface Code and focused on creating space around homes to slow or stop wildfire spread. OSFM could also include Oregon-specific best practices. Originally, the law used five risk categories, but in 2023, SB 80 changed that to three hazard levels. The defensible space rules applied to properties classified as “high” risk within the WUI.

SB 83 significantly changed this system. Instead of a mandatory statewide code, it created a voluntary model code. Several parts of SB 762 were repealed, including the legal definitions of defensible space, enforcement provisions, and the statewide wildfire hazard map. It also removed the requirement for OSFM to set a mandatory code. Local governments are not required to adopt the model code, and OSFM has no authority to make them adopt it. OSFM anticipates that this will roll out by summer 2026.

Following is a timeline of the currently ongoing defensible space code work:

- **July 2021** SB 762 signed into law, requiring OSFM to adopt a Statewide Defensible Space Code
- **February 2022** First Defensible Space Code stakeholder kickoff meeting
- **March 2022** OSFM Listening Tours
- **April 2022** Defensible Space Code Development Committee (Focus Section 603)
- **April 2022** Defensible Space Code Development Committee (Focus Section 604)
- **May 2022** Defensible Space Code Development Committee (Finalize Draft Language)
- **August 2022** Townhall tours in 17 Oregon cities begins
- **August 2022** First version of the Oregon Wildfire Risk Map paused and Code adoption paused
- **May 2023** OSFM's educational assessment program begins offering free one-on-one property visits
- **July 2023** Senate Bill 80 signed into law, changing the risk classifications to 5 to 3 hazard classifications
- **March 2024** OSFM launches yearlong pilot offering incentive payments for qualifying assessments
- **July 2024** Second townhalls or community meetings begin in Oregon cities
- **January 2025** Second version of hazard map is released
- **April 2025** Incentive program finishes, awarding $250,000 to qualifying property assessments
- **July 2025** Senate Bill 83 signed into law changing the defensible space code requirements
- **November 2025** Model code language development begins

B. Community-level mitigation

Reducing wildfire risk requires a layered approach across parcel, community, and landscape levels. Prescribed fire, strategic buffers around communities, defensible space around structures, and the use of fire-resistant building materials, each contribute to risk reduction. Community-based efforts are especially important, and many Oregon communities are advancing wildfire preparations through programs like Firewise USA, or through locally-enforced ordinances.

Firewise USA provides a nationally recognized framework that helps residents work together to reduce wildfire risk and improve ignition resistance at the neighborhood level. Oregon continues to be a leader in Firewise participation. In 2025, residents across Oregon continued to demonstrate commitment to strengthening their communities' resilience to wildfire and learning the steps they can take to protect their homes and contributed to the recognition of 45 new Firewise USA sites in Oregon, bringing the total to 357 sites in good standing– ranking second in the nation. Oregon continues to stand out at the county level with Deschutes County ranked fifth nationally and Jackson County ranked ninth for the number of Firewise USA sites within a single county. Administered by the National Fire Protection Association with support from federal and state agencies, Firewise USA serves as a very important tool for community-level wildfire mitigation.

There are a couple of community focused initiatives currently in progress. One involves a proposed development aimed at providing housing and support services, while the other relates to an existing neighborhood working on wildfire preparedness. Both efforts include early stage collaboration with relevant partners to explore strategies, share information, and align with broader risk reduction goals. Future steps will involve continued planning and engagement to support resilience and community safety.

OSFM provides the following grants:

- Community Wildfire Risk Reduction (CWRR): $18 million, 105 recipients
- CWRR for the Built Environment: $3 million, 40 recipients
- 2023 Oregon Fire Service Capacity Program: $13 million, 33 recipients
- 14 prevention staff, 34 firefighters, 5 split positions
- Strategic investments: $2.6 million

Further, OSFM's Defensible Space Program has resulted in 357 trained assessors from 97 agencies, and 6,011 completed assessments.

For more than 25 years, ODF has supported grants and programs that help reduce the impacts of wildfire on communities across Oregon. This work began in 2000, when the USDA and the Department of the Interior launched the National Fire Plan to strengthen wildfire response capacity and lessen impacts on rural communities. Since then, continued federal funding has enabled ODF to assist communities at risk from catastrophic wildland fires.

Today, these efforts are guided by the principles of the National Cohesive Wildland Fire Management Strategy – Resilient Landscapes, Fire Adapted Communities, and Safe and Effective Wildfire Response. All funded projects must be identified in local Community Wildfire Protection Plans and align with the goals outlined in Oregon's Statewide Forest Action Plan (December 2020). Mitigation activities, technical assistance, and prevention education supported through these programs follow Firewise USA principles, helping communities reduce structural ignition risk and improve overall wildfire resilience.

ODF provides the following community level mitigation work through various federal assistance grants:

- **Volunteer Fire Capacity Grants (VFC):** Assists rural volunteer fire departments by providing cost-share grants for training, equipment, and capacity. In the last five years there have been 386 awards resulting in over $3.5 million towards these efforts.

- **Community Wildfire Defense Grant (CWDG):** This is part of the Bipartisan Infrastructure Law (BIL) to communities at risk of wildfire to develop or revise their Community Wildfire Protection Plans (CWPP) and/or implement mitigation activities identified within their CWPP's. Since 2023 there have been 29 awards in Oregon resulting in over $76 million allocated towards this work. ODF will be

treating over 2,000 acres of fuels treatments around these communities, provide defensible space assessments, create new Firewise USA communities, and assist with prescribed fire efforts.

- **Western States Fire Managers – Wildland Urban Interface Grants:** Supports fuels treatment, education, and mitigation planning to help reduce hazardous fuels and restore fire-adapted ecosystems through fire mitigation projects, strengthening wildfire prevention education, and developing or updating their CWPP's. In the last five years there has been over $11 million dollars awarded to assist over 150 at-risk communities in Oregon with a goal of treating over 3,000 acres of fuels treatments.

- **Non-Fed WUI-Community Assistance Grants:** This supports the National Fire Plan and helps communities at risk from catastrophic wildland fires. Project priorities consist of community capacity by building programs that strengthen local readiness, including risk assessments, planning efforts, mitigation activities, and community education/engagement. Along with hazardous fuels reduction projects - including the planning, implementation, monitoring, and maintenance of fuels reduction projects focusing on areas adjacent to federal lands. In the last five years there have been over $6 million awarded to assist over 45 at-risk communities in Oregon with a goal of treating over 2,000 acres of fuels treatments.

- **Title II and Title III Secure Rural Schools Funding:** These grants are focused on community assistance and intended to fund fuels reduction projects on federal lands, to mitigate wildfire risk to federal lands or to communities from federal lands, implementation of Firewise USA and the cores principles to reduce structure ignition. In the last five years there has been over $1.5 million awarded toward these projects in Oregon.

C. IBHS and science-based standards

Wildfire doesn't move in a uniform manner – it spreads where fuels and conditions allow for combustion. Vegetation, density, and structural spacing play a critical role in determining whether and how a fire will ignite structures and spread through a community.

In 2022, the Insurance Institute of Business and Home Safety (IBHS) launched the Wildfire Prepared Home program – a voluntary, science-based certification that focuses on defensible space and home hardening measures proven to reduce losses from heat, ember, and flames. The IBHS standard requires a defined set of actions implemented together and validated through real-world testing. Homes that meet and maintain this standard demonstrate measurably greater resilience than those that don't.

Insurers are best positioned to recognize mitigation actions that are standardized, verified, and demonstrate reduced losses. SB 85 and the OSFM-IBHS pilot program, described below, serve as a critical bridge between fire science and insurance practices,

helping translate mitigation into outcomes that insurers can eventually reliably reflect in both underwriting and rating.

A more integrated approach to mitigation is needed – one that considers the parcel-level, cross-parcel risks, and community wide exposure. Ongoing work is focused on refining mitigation standards, improving alignment between fire science and modeling, and ensuring that risk reduction efforts translate into safer, more resilient communities and increased availability and affordability of homeowners insurance.

In May of 2025, the OSFM and the IBHS entered into a memorandum of understanding, highlighting wildfire risk reduction commitments in Oregon. The parties identified nine areas of collaboration.

IBHS and OSFM will collaborate to:

- Make the breadth of IBHS research and resources available toward action and implementation
- Provide scientific advice regarding wildfire mitigation strategies at the parcel and neighborhood scale
- Create staff communication pathways for better alignment and collaboration
- Develop educational materials and outreach opportunities
- Collaborate on post-fire analysis following urban conflagration
- Jointly host events to demonstrate wildfire impacts and resiliency
- Collaborate on incorporating wildfire science into code and regulation development, mitigation grant programs, and other wildfire resilience topics
- Meet periodically to discuss the integration of the IBHS Wildfire Prepared Home and Neighborhood standards with OSFM programs that encourage adoption and implementation at the neighborhood scale
- Outline a stair-step progression to move communities from a Firewise to a Wildfire Prepared Neighborhood designation

VI. Insurer practices and treatment of mitigation actions

Insurability ultimately depends on survivability, and translating mitigation measures into insurance outcomes requires data-driven, actuarially sound analysis.

Insurers have consistently emphasized that effective mitigation incentives must be voluntary, flexible, and grounded in science. To be effective, mitigation actions have to be verifiable and demonstrate measurable risk reduction. Premium credits must be actuarially supported and proportional to the level of risk reduction achieved. Implementation costs should be reasonable so that incentives can result in a net consumer benefit, and mitigation standards should align with local codes and public grant programs to reinforce state and local efforts.

Alignment around the IBHS Wildfire Prepared framework reflects this approach. The framework recognizes that mitigation is most effective when implemented as a complete and coordinated set of actions. Partial mitigation may have very different impacts depending on parcel density and other exposures. In high density areas, incomplete mitigation can increase the risk of loss. The bottom line is that mitigation actions, whether on a property or community level, must scientifically demonstrate a reduction in risk, with premium credits commensurate to the actual level of risk reduction.

VII. Recommendations

Continued coordination and oversight

- Establish interagency task force to continue implementing SB 85; with a progress report to the Legislature in 2027
- Maintain close coordination among state agencies, insurers, local governments, and research partners to close remaining gaps and refine approaches over time

Expand community mitigation and resilience

- Increase funding for home hardening, defensible space, and community-level mitigation
- Implement technology to allow better tracking on community mitigation and begin the bridging of data and insurance
- Prioritize outreach and grants for vulnerable communities (rural, tribal, and low-income)
- Ensure that any retrofit or mitigation requirements are paired with adequate funding and support

Build on existing foundations

- Prioritize cost-effective, evidence-based programs with realistic timeframes, building on prior legislative and administrative efforts
- Continue to increase the pace and scale of prescribed fire as a mitigation tool and identifying barriers that may impede these efforts.
- Continue implementing and scaling landscape resilience investments while continuing to assess future funding needs

Preserve insurance market stability and competitiveness

- Avoid mandates that restrict insurers' modeling, underwriting, or pricing flexibility
- Protect proprietary risk tools while ensuing appropriate transparency and regulatory oversight
- Continue modernizing the FAIR Plan as a temporary backstop while broader mitigation and insurance alignment efforts mature

Strengthen mitigation-insurance alignment

- Encourage insurer filings that recognize verified, science based mitigation standards, including IBHS Wildfire Prepared Home or equivalent frameworks
- Use IBHS research, claims, and loss data and other states' pilot programs to refine mitigation priorities and insurer participation
- Support actuarially credible approaches that align premium incentives with demonstrated risk reduction

Improve insurance incentive structures

- Work collaboratively with insurers to recognize verified mitigation actions in underwriting and rating
- Explore legislative tools to require consideration of mitigation in where actuarially supported
- Pilot premium discounts for homes and communities meeting certain standards, including recognition of participation in certified Firewise communities, consistent with emerging approaches in other states, such as California

VIII. Conclusion

Although insurance availability and affordability has fluctuated over time, increasing wildfire risk presents a distinct and growing challenge. State agencies and stakeholders remain united in a commitment to advancing the goals of SB 85. The work that's been completed to date has established a solid foundation for continued progress. Although aligning wildfire science with the insurance market is complex, Oregon is well positioned to continue moving forward toward more resilient communities and a stable homeowners insurance market.

- Translating wildfire mitigation into insurance outcomes requires time, data, and coordination
- Continued, coordinated action by the Legislature, insurers, communities, state agencies, and property owners is essential
- SB 85 and the OSFM-IBHS pilot present a meaningful opportunity to build on existing progress and deliver actionable outcomes on a realistic timeline.