

Homeowners insurance and wildfires

What is the Division of Financial Regulation's role?

The Division of Financial Regulation is the state insurance regulator in Oregon. Insurance companies must file their policies and rating plans with the division before they are sold to consumers. The division also examines insurance companies to make sure they are financially solvent, they pay claims according to the terms of their contract, and comply with the Oregon insurance code.

DFR offers free assistance to consumers by investigating complaints against insurance companies. The division also conducts outreach and education statewide on preparing for wildfires. In terms of preparedness, we inform consumers about making plans, storing key documents, reviewing insurance coverages, and creating defensible space in advance of wildfire season. More information about our resources: dfr.oregon.gov/preparenow.

How will the Oregon wildfire hazard map affect the insurance market in Oregon?

For years, insurance companies have used their own proprietary risk models in underwriting and pricing for wildfire risk. Whether developing these models in house or purchasing them from consultants, insurance companies purchase a variety of data to build their own risk maps. The Oregon wildfire hazard map reflects risks already accounted for by private industry maps and insurance company rating plans. Publication of the Oregon wildfire hazard map will likely not have a significant effect on insurance company rates or underwriting decisions, because it does not represent new information to the industry. The map does provide to the public wildfire risk information that was previously not readily available to the public.

Can an insurance company refuse to cover wildfires in its policy?

No, the Oregon insurance code requires every homeowners insurance policy to include wildfire coverage.

Will my insurance company drop my homeowners coverage because of the Oregon wildfire hazard map?

DFR meets regularly with the insurance industry, and companies have reported that they plan to continue to use private industry models and maps to make



underwriting decisions. The Oregon wildfire hazard map will likely not affect an insurer's underwriting decision. That being said, the threat of wildfires continues to increase across the state, and any particular company may decide a piece of property is too risky to cover. DFR closely monitors insurance rates across the state and will continue to coordinate with the industry to maintain a stable insurance market in Oregon.

The good news is Oregon has a robust market with more than 100 companies actively writing business in the state. Consumers can shop around to find the right coverage for them. If consumers cannot find coverage in the standard market, they can obtain coverage through the FAIR plan.

What is the Oregon FAIR plan?

The FAIR plan serves as the insurer of last resort if a property owner cannot find insurance coverage in the standard market. The FAIR plan offers a basic policy that covers property coverage only at actual cash value. Through a partnership with Access One80, a "wrap around policy" may be available to enhance a FAIR plan with liability coverage and additional perils, effectively mimicking most common homeowners insurance.

Who can I contact if I have questions?

DFR offers free help to consumers with insurance questions. Call 888-877-4894 (toll-free) or visit our website: dfr.oregon.gov.