DFR Division of Financial Regulation
Department of Consumer and Business Services
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Oregon Department of Consumer and Business Services Division of Financial Regulation, Bulletin No. DFR 2026-X

To: All property and casualty insurers

Date: November X, 2026

RE: Permitted actuarial variance of property rate filings in support of statewide wildfire mitigation efforts.

Purpose:

The purpose of this bulletin is to notify carriers and the general public of the standards set forth for rating in light of the state's wildfire mitigation efforts. The bulletin provides guidance to insurers that participate in mitigation pilot projects organized by the Oregon State Fire Marshal (OSFM) or similar community mitigation projects, as well as insurers that provide discounts to individual insureds based on parcel-level mitigation. For these projects, the division will allow observational mitigation as a rating factor that can be incorporated to lower premiums for consumers.

For purposes of this bulletin, *observational mitigation* means tangible mitigation actions or conditions that have been observed at the community or parcel level through inspection, certification, imagery, or other evidence the insurer deems reliable, as distinguished from mitigation assumed or modeled. The insurer determines what evidence it will accept and must describe that method in its filing and apply it consistently to similarly situated risks.

This bulletin does not affect any discounts or mitigation credits offered in rating plans that are otherwise actuarially justified with credible data.

Authority:

ORS 731.008, 731.016, 737.205, and 737.310.

Background:

Oregon has made sustained investments in reducing wildfire risk at the property, community, and landscape levels. Insurers have expressed uncertainty about the actuarial support needed to recognize mitigation efforts in insurance rates, particularly when Oregon-specific loss experience is not yet sufficient to fully quantify mitigation efforts and their correlation to a precise level of insurability. This bulletin clarifies DFR's filing expectations and the circumstances under which insurers may offer mitigation discounts.

In 2019, Governor Kate Brown created the Governor's Council on Wildfire Response in order to evaluate Oregon's approach to wildfire prevention, preparedness, and response. The Council analyzed whether the plans at the time were sustainable in light of increasing wildfire risks. Thirty-seven recommendations were issued - mainly focused on creating fire adapted communities, restoring and maintaining resilient landscapes, and strengthening wildfire response. The following year, Oregon experienced a catastrophic wildfire season that included the Labor Day fires, which resulted in more than 1.2 million acres burned and approximately 5,000 structures lost. There were also nine fatalities. Building on the 2019 Council recommendations and the 2020 wildfire season experience, the Legislature enacted Senate Bill 762 (2021), which invested funds across 11 state agencies, and established the Wildfire Programs Advisory Council (WPAC).

WPAC monitors implementation of all state wildfire programs, advises the Governor's Wildfire Programs Director, and provides lengthy annual reports that include recommendations for the Governor and Legislature. The WPAC has worked to address community risk reduction, including defensible space and home hardening; landscape resilience and prescribed fire; interagency communication; and sustained funding, among other actions for wildfire mitigation and response. Oregon has a comprehensive approach to reducing wildfire losses through action taken at the property, community, and landscape levels.

Other jurisdictions are connecting wildfire mitigation efforts to insurance rating through regulatory requirements and partnerships. California's Safer from Wildfires framework requires insurers to recognize specified property and community level mitigation measures through premium discounts, supported by wildfire risk-score disclosures. Colorado's HB 25-1182 requires insurers using wildfire risk models or scoring methods to account for mitigation within the risk assessment, underwriting, and pricing – with discounts required where mitigation is not incorporated into a model if the policyholder demonstrates actions that reduce risk of loss. These approaches illustrate complementary ways to connect wildfire risk reduction with insurance pricing: giving explicit discounts and recognizing mitigation actions within models. Oregon's approach differs - this bulletin sets a ceiling and removes a filing obstacle, but does not mandate any discount or prescribe the tangible evidence the insurer must accept.

As Oregon's mitigation programs develop, credible loss experience measuring those effects will take time. In the interim, verified mitigation activities, scientific research, models, and relevant experience from other jurisdictions can provide a basis for evaluating proposed discounts. The guidance below establishes a defined pathway for insurers to recognize community and parcel level mitigation actions while identifying the documentation and rating requirements that DFR expects in company filings.

Guidance:

Insurers are required under ORS 737.205 to file rates, rating plans and rating systems, and ORS 737.310(3) requires insurers to support rates with Oregon experience when this experience is statistically significant. Although Oregon experience is often statistically significant for determining the Oregon overall rate change or other rating

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plan revisions, it is not the only consideration as comparable national data may be a reasonable substitute in some circumstances. Additional consideration may be needed in areas where science is quickly evolving and data may not yet be developed, such as for wildfire-related risks.

For clarity, the division will allow rating plans that take into account planned observational mitigation discounting for the following mitigation pilot projects:

1. Projects organized by the OSFM in support of SB 85 and similar work to further incentivize community mitigation and support statewide efforts to reduce wildfire risk. In such circumstances, the division will not require Oregon-specific data to support rate reductions of up to 15% through observational mitigation.

2. Projects not organized by the OSFM but organized at the community level that are supported by science-based models or observational evidence. For these community-driven projects, the division expects the carrier(s) and community to contact the division to discuss the project and planned rating methodology. Interested insurers and communities should provide a program description, verification method, expected loss-reduction basis, and the proposed rating methodology. In such circumstances, the division will not require Oregon-specific data to support rate reductions of up to 15% through observational mitigation.

3. Insurers that wish to offer parcel-level discounts to insureds based on observational mitigation. Interested insurers should provide a program description, verification method, expected loss-reduction basis, and the proposed rating methodology. In such circumstances, the division will not require Oregon-specific data to support rate reductions of up to 15% through observational mitigation.

Community-level and parcel-level discounts may be combined, but total observational discounts may not exceed 15% in observational discounting for any one insured. In all three scenarios, the division welcomes advance conversation with insurers as to the pathway and methods being used to provide observational mitigation discounting.

Rating plans that provide discounting based on observational mitigation must be filed with the division and labeled as XXX in the SERFF system.

Carriers wishing to discuss mitigation rating proposals that incorporate observational mitigation should contact Eric Bredeson, Property & Casualty Product Regulation Manager, at Eric.Bredeson@DCBS.Oregon.gov or 503-979-7742.

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TK Keen, Administrator
Insurance Commissioner
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