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ARCHIVES DIVISION

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## **NOTICE OF PROPOSED RULEMAKING** INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 836

### **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES INSURANCE REGULATION**

**FILED**

01/28/2026 1:40 PM

ARCHIVES DIVISION

SECRETARY OF STATE

FILING CAPTION: [Corrected] Establishes new, temporary insurance premium assistance program for affordable housing providers and shelter locations.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 03/03/2026 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

CONTACT: Karen Winkel

503-947-7694

dfr.rules@dcbs.oregon.gov

Labor and Industries Building

350 Winter St. NE

Salem, OR 97301

Filed By:

Karen Winkel

Rules Coordinator

### HEARING(S)

*Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.*

DATE: 02/24/2026

TIME: 11:00 AM - 12:00 PM

OFFICER: Brian Fjeldheim

### IN-PERSON HEARING DETAILS

ADDRESS: Labor and Industries Building, 350 Winter St. NE, Basement, Conf Rm E, Salem, OR 97301

### REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 359938807

### SPECIAL INSTRUCTIONS:

This is a hybrid meeting conducted in-person and virtually via Microsoft Teams:

Meeting ID: 237 110 796 413 35

Passcode: pq6ki9Jb

Note: Public comments are public records and may be made publicly available.

### NEED FOR THE RULE(S)

Oregon Senate Bill (SB) 829, introduced during the 2025 legislative session, is intended to stabilize a portion of insurance costs for affordable housing providers and emergency shelter operators. The bill was drafted in response to mounting evidence insurance premiums, both property and liability coverages, are rising to levels that threaten the sustainability and availability of affordable housing and shelter bed access across the state.

The legislature recognized this trend threatens Oregon's broader housing development goals. To this end, SB 829 establishes a new, temporary premium assistance program designed to offset some of the rising costs of insurance coverage incurred by affordable housing providers and shelter sites. The bill also provides the Division of Financial Regulation (DFR or division) with a one-time General Fund (GF) appropriation of \$2.47 million, to be paid directly to affordable housing providers, shelter bed sites, Project Turnkey locations, and navigators to offset a portion of their annual insurance premium costs.

To implement the premium assistance program, SB 829 requires rulemaking to:

- establish eligibility requirements for receiving premium assistance.
- identify eligible entities that can apply for assistance.
- determine and collect sufficient applicant data, to include financial data necessary to establish relative applicant financial need/distress.
- identify and prioritize funding for the highest need applicants.
- create a fair process to distribute available assistance funds.
- preserve the maximum number of affordable housing units and shelter beds.
- help stabilize and grow the overall affordable housing inventory and total number of available shelter beds throughout Oregon.

In 2025, the division hosted three external Rulemaking Advisory Committee (RAC) meetings with outside parties.

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#### DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Draft rules are available from Karen Winkel, Rules Coordinator, Division of Financial Regulation located at 350 Winter St. NE, Salem, OR 97301 and are available on the division's website:

<https://dfr.oregon.gov/laws-rules/Pages/proposed-rules.aspx>

<https://dfr.oregon.gov/help/committees-workgroups/Pages/rac-affordable-housing-insurance.aspx>

SB 829 (2025), now 2025 Oregon Laws, Chapter 600, is available here:

[https://www.oregonlegislature.gov/bills\\_laws/lawsstatutes/2025orlaw0600.pdf](https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2025orlaw0600.pdf)

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#### STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

Per discussions with the RAC members, this rulemaking will likely have an impact on lower income households, especially those making 80 percent or less of various regional/area median gross income thresholds, as well as citizens experiencing homelessness and/or homelessness. Based on RAC commentary, this rulemaking is also likely to impact marginalized, underserved, and citizens of color in communities throughout Oregon. The premium assistance program established by SB 829 is likely to have a disproportionately beneficial impact on lower income, marginalized and underserved communities to the extent that it helps maintain and/or increases the availability of affordable housing options and shelter beds. The proposed rules are necessary to establish and operate the new premium assistance program.

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#### FISCAL AND ECONOMIC IMPACT:

DFR believes the proposed rule language will not have a negative impact on small businesses. Premium assistance payments should instead help eligible entities to pay a portion of their annual property and/or liability insurance premium costs. Note: during the 2025 Legislative Session, multiple proponents of SB 829 (affordable housing providers, shelter bed locations, housing authorities, etc.) testified the premium assistance program is likely to help maintain or

increase affordable housing inventory and available shelter beds throughout Oregon. Many/most affordable housing providers and shelter bed locations in Oregon are either public service non-profits, government agencies, or small businesses (per ORS 285A.346 and ORS 56.185, a business with less than 50 employees is a small business).

Based on RAC member feedback, the one-time GF appropriation of \$2.47 million is insufficient to meet the financial needs of all eligible entities. This rulemaking must effectively triage premium assistance payments to the neediest and/or most financially distressed eligible applicants.

The rule does not impose compliance costs on small businesses or other entities because it solely creates a voluntary avenue for eligible entities to apply for premium assistance. The application process may require modest administrative expenditures for eligible entities to compile and submit the requested information.

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#### COST OF COMPLIANCE:

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

(1) DFR is likely to be economically impacted by this rulemaking. The division did receive funding for an additional 0.5 full time employee (FTE) to assist with premium assistance program operations for the duration of the program (sunsets December 31, 2028, or upon exhaustion of one-time program funds). The division will incur moderate policy staff time to collect and analyze data to determine the effectiveness of the program. Finally, there is a technology component that requires one (or more) staff to develop, test, and deploy an electronic application/web portal to collect and store applicant data necessary to facilitate premium assistance payments and collect necessary data for legislative reporting requirements.

RAC members did not raise any concerns or objections that certain parties, small businesses, or members of the public will be adversely impacted economically by this rulemaking.

(2)(a) DFR does not have a direct estimate of the number of small businesses subject to this rule and the RAC did not indicate they have this data either.

(2)(b) As noted above, the rule does not require anything of or impose costs on entities that do not voluntarily choose to apply for premium assistance. For applicants, DFR believes this rulemaking should have minimal impact upon reporting, recordkeeping, and other administrative activities required for compliance. The division intends to collect certain financial and insurance purchase data from eligible applicants, which they should already have readily available. The division will be responsible for securing and retaining applicant data for possible financial audit.

(2)(c) For applicants/eligible entities that do not maintain formal financial record keeping, there may be some additional costs if they need to engage the services of a licensed accountant to provide requested financial documents as part of the application process. In general, division staff see this as a business decision, that applicants must weigh whether incurring additional operational costs is worth the opportunity to apply for insurance premium relief payment. Eligible entities are not required to apply or otherwise participate; this is a voluntary assistance program.

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#### DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

DFR invited representatives of small businesses, multiple affordable housing representatives, multiple shelter location representatives, representatives from cities and local governments, and insurance trade associations, to participate in the rulemaking advisory committee process.

An internal rulemaking advisory group was convened and met virtually multiple times to discuss the draft rules, the application process, the position requirements for the new 0.5 FTE, and what support is needed from IT&R.

An external RAC was formed and met on three separate occasions:

1. August 28, 2025 - 10:30 am to noon PT
2. September 24, 2025 - 10:30 am to noon PT
3. November 6, 2025 - 10:30 am to noon PT (this RAC requested by the Governor's Office)

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

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RULES PROPOSED:

836-200-0700, 836-200-0705, 836-200-0710, 836-200-0715, 836-200-0720, 836-200-0725, 836-200-0730, 836-200-0735

ADOPT: 836-200-0700

**RULE SUMMARY:** This rule establishes the Affordable Housing Premium Assistance Program required under Section 1 of Senate Bill 829 (2025). The program provides financial assistance to eligible entities for property or liability insurance premiums paid on qualifying affordable housing and shelter units.

CHANGES TO RULE:

836-200-0700

Purpose and Scope

This rule establishes the Affordable Housing Premium Assistance Program required under Oregon Laws 2025, chapter 600, section 1 administered by the Department of Consumer and Business Services. The program provides financial assistance to eligible entities for property or liability insurance premiums paid on qualifying affordable housing and shelter units.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

ADOPT: 836-200-0705

RULE SUMMARY: Provides additional definitions for terms not currently defined in the Insurance Code or DCBS administrative rules.

CHANGES TO RULE:

836-200-0705

Definitions

(1) "Premium assistance payment" means a financial reimbursement issued under this program, subject to statutory caps.¶

(2) "Eligible entity" means any public, private, or nonprofit entity that pays insurance premiums for liability insurance and property insurance that covers losses on eligible property owned or operated by the entity.¶

(3) "Affordable housing" means properties defined in ORS 197A.445 and that are subject to regulation under the laws of this state.¶

(4) "Shelter locations" means congregate, family, youth, alternative, and other shelter locations regulated by or receiving financial support from the state, any county, city, or other political subdivision of the state, or any agency or instrumentality of the state or any county, city, or other political subdivision of the state.¶

(5) "Project Turnkey" means sites that received Project Turnkey grants from the Oregon Community Foundation.¶

(6) "Navigation centers" means entities established and operating in accordance with the "Shelter Infrastructure Operations Program - Navigation Centers (SIOP-NAV): SIOP-NAV Operations Manual" published by Oregon Housing and Community Services.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

RULE SUMMARY: Provides the overarching structure of the premium assistance program and identifies the eligible entities, outlines the application process, and the general scheme for prioritization of payments.

CHANGES TO RULE:

836-200-0710

Program Structure

(1) The moneys in the Affordable Housing Premium Assistance Fund established by Oregon Laws 2025, chapter 600, section 2 shall be paid to entities that complete an electronic application process meeting the prioritization requirements in OAR 836-200-0720. Eligible entities include:¶

(a) Regulated affordable housing owners and/or operators;¶

(b) Shelter location owners and/or operators;¶

(c) Project Turnkey sites; and¶

(d) Navigation centers.¶

(2) There will be a 60-day initial application window to provide eligible entities sufficient time to gather and submit the required documents necessary to complete the application process.¶

(3) After the initial application window, the department will review and prioritize applications and make payment determinations in accordance with the provisions of OAR 836-200-0720.¶

(4) After the initial round of assistance payments are made, if program funds are still available, the department can:¶

(a) Consider applicants placed on a waitlist;¶

(b) Open an additional application window for new applicants; or¶

(c) Make additional, prorated follow-up payments to previously paid recipients.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

ADOPT: 836-200-0715

RULE SUMMARY: Provides the eligibility requirements for applicants and elaborates on documentation necessary to establish applicant eligibility.

CHANGES TO RULE:

836-200-0715

Eligibility Criteria

To qualify for premium assistance, an applicant must:

- (1) Be an eligible entity as defined in Oregon Laws 2025, chapter 600, section 1(1)(a).¶
- (2) Demonstrate ownership or operational control of eligible property, such as affordable housing dwellings, shelter locations, Project Turnkey sites, and navigation centers.¶
- (3) Provide documentation of paid property or liability insurance premiums for eligible property.¶
- (4) Maintain active property and liability insurance coverage for the duration of the assistance period.¶
- (5) Non-profit applicants must provide documentation sufficient to establish their non-profit status.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

RULE SUMMARY: Establishes the prioritization of payments amongst eligible applicants, including applicants in financial distress, properties at highest risk of default, and properties providing specified shelter bed capacity.

CHANGES TO RULE:

836-200-0720

Prioritization of Payments

In allocating funds, the department shall prioritize payment to eligible applicants based upon:¶

(1) Applicants experiencing severe financial distress, as evidenced by factors including but not limited to:¶

(a) Insurance costs that are more than 20 percent of non-staff operating costs;¶

(b) Operating reserves that are below three months of routine operations;¶

(c) Loans or mortgages for eligible property that are in arrears or forbearance;¶

(d) Insufficient cash flows to meet immediate operating needs and showing negative cash flow trend;¶

(e) Increasing month-over-month accounts payable balances and/or accounts payable balances that are past due with an adverse trend in account balance aging;¶

(f) Properties foregoing required maintenance expenditures necessary to maintain a property in livable conditions;¶

(g) Depleted operating accounts and/or reserve funds accounts; or¶

(h) Verifiable annual net operating losses.¶

(2) Properties with the highest risk of default on must-pay debt service obligations.¶

(3) Eligible properties providing more than 15 percent of the beds in the HB 3644 shelter region or more than five percent of the county's total permanent supportive housing units.¶

NOTE: HB 3644 (2025), Section 2(1), requires the Housing and Community Services Department "...shall divide the state into regions, each no smaller than a single county, through which the statewide shelter program established under section 1 of this 2025 Act is implemented."¶

The full text is available here:

<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/HB3644/Enrolled>.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

ADOPT: 836-200-0725

RULE SUMMARY: Prescribes the payment structure and establishes payments limits, such as payments will be the lesser of 40 percent of eligible annual insurance premiums or \$40,000. Also grants the division the option to prorate payments.

CHANGES TO RULE:

836-200-0725

Payment Structure and Limits

(1) Premium assistance payments shall be capped at the lesser of:

(a) Forty percent (40.0%) of total annual insurance premiums paid; or

(b) Thirty thousand dollars (\$30,000) per eligible entity.

(2) The department may prorate payments if total eligible requests exceed available program funds. However, full payment preference will be given to nonprofit entities and entities operating in communities or geographic regions with limited affordable housing inventory or available shelter beds.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

**RULE SUMMARY:** Outlines the application process and required application elements, establishes an initial 60-day application window, applications can be submitted electronically or in paper form, premium assistance payments commence after the initial application window closes and division staff review applicant submissions, establishes required application information to be provided, identifies suitable financial or supporting application materials needed to complete the application, and requires an officer or owner to provide legal attestation to the accuracy and truthfulness of the application.

**CHANGES TO RULE:**

836-200-0730

Application Process

(1) There is an initial application window of 60 calendar days from the program's initial launch date. All applications received during the initial 60-calendar day window will be screened and scored by department staff. Eligible entities may apply past the 60-calendar day window, but will receive lower payment priority than applications submitted in the first 60 days.¶

(2) Applications must be submitted electronically or by mail and be received by the department. To be included in the initial 60-calandar day review window, all application materials must be submitted and received by the department on or before the 60th day of the initial application window.¶

(3) Initial premium assistance payments shall commence following the close of the initial application window. If program funds remain available after this date, assistance payments to additional eligible entities will occur monthly on the 15th calendar day of each month.¶

(4) Each application must include:¶

(a) Name of the eligible entity:¶

(b) The name(s) of the owner(s), senior leadership, and their job title within the eligible entity:¶

(c) Specify the applicant's eligible entity type (e.g. affordable housing owner and/or operators, shelter location owners and/or operators, etc. Applicants that are an affordable housing owner or operator must disclose if they have applied for and received preservation funding from Oregon Housing and Community Services);¶

(d) Description of the housing or shelter stock (year structure(s) was built; type of structure(s), i.e. single-family, multi-family, or high-density living spaces; and number of units or number of shelter beds);¶

(e) Geographic designation (urban, suburban, rural; inland vs coastal; proximity to areas considered to have elevated wildfire risk);¶

(f) Documentation of insurance premium payments, to include:¶

(A) A legible copy of the insurance policy declaration page for the current and prior year policy coverage periods.¶

(B) Proof of annual premium payment(s) for the current and prior year policy coverage periods, such as a copy of the payment check(s) or an electronic payment receipt(s).¶

(g) Applicant must provide a narrative description of their efforts to maintain, preserve, or increase their existing affordable housing inventory or number of available shelter beds.¶

(h) Entity classification (for-profit, nonprofit, public);¶

(A) Nonprofit entities must provide the following documentation:¶

(i) A copy of the most recent nonprofit corporation annual report filed with the Oregon Secretary of State. If an applicant is a public benefit nonprofit, a copy of the annual report to the Oregon Department of Justice - Charitable Activities Division must also be included; and¶

(ii) Proof of listing on the Internal Revenue Service (IRS) Tax-Exempt Organization Search (TEOS) database; or¶

(iii) A copy of the applicant's IRS determination letter.¶

(B) For profit entities must provide the following documentation:¶

(i) A copy of the two most recent audited annual financial statements;¶

(ii) A copy of the two most recent Federal tax filings; and¶

(iii) A copy of the two most recent Oregon state tax filings.¶

(i) Under penalty of perjury, provide a legal attestation by the owner, senior partner(s), or duly appointed legal representative of the eligible entity that the contents of the application, to include all supporting documents submitted, are truthful, accurate, and complete.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240

**RULE SUMMARY:** Establishes the program metrics that will measure the relative success of the program, such as number applicants that received assistance, total number of affordable housing units and/or shelter beds retained or increased, total funds disbursed and average payment per entity, distribution of finds by geographic region and applicant type, and additional suggested criteria.

**CHANGES TO RULE:**

836-200-0735

Program Metrics and Reporting

(1) The department shall collect and report the following metrics annually to the Oregon Legislature:  
(a) Number of applicants who received premium assistance funds;  
(b) Number of applications submitted, approved, placed on waitlist with total funding need noted, and denied;  
(c) Total number of affordable housing units retained or increased due to assistance;  
(d) Total number of shelter properties and number of shelter beds preserved or increased due to assistance;  
(e) Total funds disbursed and average payment per entity;  
(f) Distribution of funds by geographic region and entity type;  
(g) Percentage of existing affordable housing stock preserved; and  
(h) Department administrative costs as a percentage of total program expenditures.  
(2) Additional metrics may include:  
(a) How much did each premium assistance payment offset each applicant's insurance coverage cost(s) for eligible properties;  
(b) The extent to which premium assistance funding reduced insurance-related financial distress reported by eligible entities (i.e. without assistance payments, how many assistance recipients would have reduced/lost previously available affordable housing units or shelter beds);  
(c) Number of eligible entities that applied and were approved but did not receive assistance due to program funding; and  
(d) The department may conduct a follow-up survey of premium assistance program participants for feedback on program accessibility and program impact on operations.

Statutory/Other Authority: ORS 731.244, Or Laws 2025, ch 600

Statutes/Other Implemented: ORS 746.100, ORS 746.110, ORS 746.240