



Advancing Fire Protection In Oregon

Wildfire Programs Advisory Council Annual Report

October 2025





Advancing Fire Protection in Oregon
Wildfire Programs Advisory Council - Annual Report
[Advisory Council Roster and Workgroup Participants](#)
October 2025

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Glossary of Acronyms

| | |
|--------|--|
| 20YLRs | Oregon's 20-Year Landscape Resiliency Strategy |
| BCD | Building Codes Division |
| CRP | Community response plans for smoke |
| CWPP | Community wildfire protection plan |
| BCD | Building Codes Division of the Department of Consumer and Business Services |
| DCBS | Department of Consumer and Business Services |
| DEQ | Department of Environmental Quality |
| DFR | Division of Financial Regulation of the Department of Consumer and Business Services |
| DLCD | Department of Land Conservation and Development |
| HB | (Oregon) House Bill |
| HECC | Higher Education Coordinating Commission |
| IBHS | Institute for Business and Home Safety |
| MOU | Memorandum of Understanding |
| NGO | Nongovernmental organization |
| NHMP | Natural hazards mitigation plan |
| OAR | Oregon Administrative Rule |
| OCC | Oregon Conservation Corps |
| ODF | Oregon Department of Forestry |
| ODHS | Oregon Department of Human Services |
| OEM | Oregon Department of Emergency Management |
| OREM | Office of Resilience and Emergency Management of the Oregon Department of Human Services |
| OHA | Oregon Health Authority |
| ORS | Oregon Revised Statute |
| ORSC | Oregon Residential Specialty Code |
| OSFM | Oregon Department of the State Fire Marshal |
| OSMP | Oregon Smoke Management Program |
| OSU | Oregon State University |
| PM2.5 | Particulate matter 2.5 |
| R327 | Oregon Residential Specialty Code: R327.4 Wildfire Hazard Mitigation |
| RFPA | Rangeland Fire Protection Association |
| RFPD | Rural Fire Protection District |
| SB | (Oregon) Senate Bill |
| SSRA | Smoke Sensitive Receptor Areas |
| WUI | Wildland-urban interface |

Executive Summary

Oregon faces increasing risks and effects of wildfire. In response to the growing concern over wildfire and its effects, in January 2019 Oregon Governor Kate Brown convened the Governor's Council on Wildfire Response to assess the issue and provide policy and funding recommendations to the Governor and State Legislature. This was followed by the devastating Labor Day fires of 2020. Responding to these recommendations and recognizing the need to make Oregonians and their communities safer and more wildfire prepared and resilient, the Oregon Legislature enacted Senate Bill 762 (SB 762) in the 2021 legislative session. SB 762 set an unprecedented path for 11 state agencies to implement multiple programs intended to transform how Oregon lives with wildfire. Subsequent legislation increased state agency engagement in this work. These programs work together to modernize fire preparedness and response systems, creating new opportunities to advance fire protection at multiple scales from the individual to the landscape. However, many of these programs have since been one-time, defunded, or partially funded. Other programs received substantial, durable funding investments in the 2025 legislative session, helping to address the dire challenge of wildfire suppression costs and the need for increased mitigation.

In 2024, the legislature adopted Senate Bill 5701 (SB 5701) directing the Oregon Department of Forestry (ODF) and the Oregon Department of the State Fire Marshal (OSFM) to convene a workgroup to identify solutions for sustainable wildfire mitigation and suppression funding to address the growing wildfire crisis. This wildfire funding workgroup, colloquially known as the Fire 35, convened in the summer of 2024.

In response to the recommendations of the Fire 35 workgroup, the 2025 legislature passed House Bill 3940 (HB 3940) to address wildfire funding. Coupled with one-time funding in House Bill 5006 (HB 5006) and funding provided within agency budget bills, the legislature allocated a total of \$271 million for the biennium for wildfire funding.

State-level policy changes were also made by the legislature in 2025, including Senate Bill 83 (SB 83) and Senate Bill 85 (SB 85), addressing community risk reduction and the insurance crisis, respectively. SB 83 (2025) repealed the state wildfire hazard map and the associated state level regulatory requirements for defensible space and use of wildfire resilient building materials standards that would have applied to new construction of one- and two-family dwellings within high wildfire hazard areas of the state. The 2025 legislature instead established alternative wildfire mitigation programs accompanied by permanent funding.

SB 85 (2025), together with Senate Bill 82 (2023) (SB 82) and other related statutes, address the state's growing insurance crisis, including affordability and access. Together, these key pieces of legislation have enhanced transparency and strengthened consumer protection. SB 82 provides enhancements to disclosures so that consumers know exactly why their policy might not be getting renewed or why their rate might be going up—as well as descriptions of wildfire mitigation actions the consumer could take to improve the property's insurability. SB 82 also requires insurers to post information on their public facing websites about how wildfire risk mitigation actions may impact rating and underwriting decisions. SB 85 will provide recommendations related to wildfire risk mitigation for additional legislative changes to further improve affordability and availability of insurance.

SB 762 (2021) also established a Wildfire Programs Director and Wildfire Programs Advisory Council (Council) to guide implementation. The Council is charged with monitoring progress of wildfire programs, advising and assisting the Director, and preparing an annual October report to the Governor and appropriate committees or interim committees of the Oregon Legislative Assembly. This report describes implementation progress to date and specifically provides advice and recommendations on:

- Activities related to wildfire prevention and response, including receiving and evaluating agency reports related to wildfire prevention and response.
- Potential changes to the activities in order to fulfill the goal of dramatically reducing wildfire risk in this state and ensuring that regional defensible space, building codes, and land use applications are appropriate.
- Strengthening intergovernmental and multiparty collaboration and enhancing collaboration between governments and stakeholders on an ongoing basis.
- Developing strategies to enhance collaboration among governmental bodies and the general public.

This fourth annual (2025) report fulfills SB 762's reporting requirement for the Council.¹ It represents the efforts of Council members and agency support staff. It was developed through a collaborative process centered around three workgroups focused on:

1. Funding assessment (Wildfire Funding Workgroup "Fire 35", HB 3940, and HB 5006)
2. Local adoption of community wildfire risk reduction strategies (SB 83)
3. Insurance assessment—keeping coverage within reach (SB 85)

Additionally, other wildfire program areas, including smoke management and public health and utilities, were discussed by the Council.

Council Recommendations and Actions Necessary to Implement

The Council has developed several broad, cross-cutting recommendations to advance fire-adapted communities and landscape resiliency in Oregon. These are relevant to multiple wildfire programs, involve multiple agencies and sectors, and will require an all-hands approach.

- **Continue to respond to the wildfire funding challenge:** Recent wildfire seasons demonstrate that adequate funding for wildfire mitigation and response continues to be a challenge, with costs escalating at the same time that adequate funding continues to be constrained. To partially address this trend, the 2025 Oregon Legislature created new and durable revenue sources for wildfire mitigation, expanded existing fire protection assessments, and proactively increased general fund appropriations for suppression costs. With the passage of HB 3940, the Landscape Resiliency Fund and Community Risk Reduction Fund saw increased appropriations while a new Large Wildfire Fund was created but no funds were appropriated. Landowner fire protection rate relief was established, fire protection assessments on tribal fee lands were clarified, and rural fire protection assessments were expanded, among other funding solutions. The bill created important institutional infrastructure (dedicated funds, new programs, revised governance) that can be scaled up, but requires significant additional revenue and sustained commitment to achieve adequate wildfire protection for Oregon. Additional one-time investments in wildfire mitigation and response were allocated through HB 5006 as a special purpose appropriation, with a focus on the mitigation of risk and impacts both before and after wildfire. Wildfire response and mitigation broadly affect Oregonians and involve multiple agencies and sectors; therefore, continued collaboration and integrated programming will be required. While essential, funding solutions should not solely address mitigation, response, and suppression. Adaptation, recovery, public health, youth workforce training, and outreach and education, including that which supports local adoption of strategies for community risk reduction, also need investment.

¹ Prior Council reports are available at: <https://www.oregon.gov/gov/policies/pages/wildfire-programs-council.aspx>

- **Prioritize state investments and treatments based on equity and vulnerability considerations:** Investments should prioritize the most socially and economically vulnerable communities and landscapes in high hazard areas. This includes prioritizing community risk reduction investments, such as defensible space and home hardening, and landscape treatments in the WUI, as well as large landscape treatments that can moderate fire behavior. Continued funding must be provided to support and improve community preparedness and resilience, including public health. These must incorporate equity considerations to ensure that the most socially and economically vulnerable individuals and populations are served and have access to resources to mitigate, respond to, and recover from impacts from wildfire.
- **Provide stable, predictable funding to state and local partners for coordinated and collaborative public education and outreach:** Funding that furthers efforts to develop and deliver community wildfire adaptation training and bolster coordinated delivery of consistent messaging and effective education and outreach strategies will elevate Oregonian's understanding of the importance of community risk reduction and landscape resilience, helping to embed a culture of preparedness. Increased understanding at the individual, neighborhood, and community scale will increase participation and build support for implementation of locally adopted defensible space standards, home hardening building codes, and supportive land use strategies.
- **Allow time for wildfire programs to mature and outcomes to be realized:** With the repeal of the wildfire hazard map and new approach for local adoption of community wildfire risk reduction strategies, time will be needed to understand opportunities for and barriers to local implementation and see the effects of home hardening and defensible space efforts. New voluntary standards for homes and neighborhoods currently being piloted will need to be evaluated for efficacy and broader implementation, including how these strategies help to support access to insurance.
- **Increase investment in public health agencies and their coordination with land management agencies:** Public health agencies and local community organizations need, and have not had, sustainable, sufficient funding to provide education and resources that can address health impacts of wildfire. Local public health agencies and organizations must also receive investment. Public health and land management agencies must be funded and encouraged to increase their coordination, which is necessary to address the intersection of public health challenges from smoke and the need to increase landscape resiliency through treatments that produce smoke (i.e., prescribed and beneficial fire use). This is important both within and outside of the WUI as smoke can have broad impacts. Public health investments can be addressed through an overall stable and sustainable funding solution.
- **Invest in multiple forms of workforce development and retention:** The scale of a trained workforce to implement land management activities, prescribed fire, and wood products processing is insufficient for the scope of wildfire risk reduction needed. Consistent, dedicated funding is necessary to address a critical workforce development gap in wildfire suppression and response. This includes a cross-trained prescribed fire workforce, investment in the Oregon Conservation Corps, and opportunities to keep seasonal fire fighters employed full time through cross-training and cooperative agreements.
- **Implement policies to help keep insurance coverage within reach:** Ensuring that Oregonians have access to quality, affordable, residential, commercial and industrial property insurance in the face of escalating wildfire risk is both urgent and complex. As climate-driven disasters grow more frequent in the west, families and communities need reliable coverage to live, rebuild, and recover. Ensuring that insurance coverage remains within reach of Oregonians requires the state to strike a balance. Oregon must foster a healthy insurance market that encourages competition and innovation, provides sustainable underwriting models, while also maintaining regulatory guardrails to protect consumers from unnecessary cancellations, unaffordable premiums, unsustainable underwriting models, or opaque underwriting practices. As the state's wildfire program evolves, Oregonians who take proactive measures to protect their homes and neighbors from wildfire should have this reflected in reducing their property's wildfire risk. A successful and resilient system will account for mitigation, ensure transparency, preserve access, and maintain a healthy marketplace for insurers, especially in rural and other wildfire-prone areas.

In addition to these broad recommendations, the Council makes the following specific recommendations for the continued success of wildfire programs in Oregon (Table 1). For the recommendations, legislative action is needed to consider appropriate funding and policy, and/or the responsible agencies will review to determine the action needed. A summary of each recommendation is included below, with further detail found in the corresponding report section.

Table 1. Summary of Wildfire Programs Advisory Council Recommendations, October 2025

| Responsible Agencies | Council recommendations - <i>Legislative action is needed to consider appropriate funding and policy, and/or responsible agencies should review to determine needed action.</i> |
|----------------------|---|
| ODF, OSFM | Funding Assessment (Section 2): Suppression and Response <ul style="list-style-type: none"> • Fund ODF’s Large Wildfire Fund and OSFM’s Mobilization Fund at their respective 5-year trailing average net costs, rather than making funding available through Emergency Board requests. • Request that OSFM to work with RFPDs and taxing districts to provide a report quantifying the revenue raised from the new assessment policy under HB 3940 (2025). • Provide sustained funding and support for ODF aviation, early detection, and technology programs as critical tools to limit the impact of wildfire on communities and natural resources. • Fund centralized administration costs for ODF in the second year of the 2025-2027 biennium; consider during the short legislative session. |
| ODF, OSFM | Funding Assessment (Section 2): Mitigation <ul style="list-style-type: none"> • Increase the pace and scale of prescribed fire as an effective tool for wildfire fuel reduction. • Current funding for liability protection available to Certified Burn Managers conducting prescribed fire treatments is insufficient to support the needed pace and scale of fuel treatments using beneficial fire. Allocated funding should scale with the acres under ODF protection or otherwise eligible lands (i.e., tribal lands) to have a covered burn take place. • Mitigation should also be defined as efforts that will increase forest and rangeland wildfire resilience in preparation for and response to wildfire. These definitions may need to be addressed in statute or associated agency administrative rules. • OSFM should expand community risk reduction efforts to include neighborhood-scale planning, property ingress and egress, apparatus accessibility, and maintenance for low-income residents. If statute limits eligibility, policy changes should be considered. • As mitigation grant programs are developed or reviewed, they should include maintenance considerations to ensure those projects continue to add benefit over time. ODF and OSFM should consider giving a certain portion of grant program awards for maintenance projects. • ODF and OSFM mitigation projects should prioritize funding for communities identified as socially and economically vulnerable by providing sliding-scale cost sharing based on household income, multilingual education and outreach programs, and mobile home park mitigation programs, including renter protection. • The legislature should consider creating an endowment structure for long-term landscape maintenance funding. • Consider broadening new reporting requirements under HB 3940 to reflect the impacts of large wildfires on landscape resilience measurements. |

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| Responsible Agencies | Council recommendations - <i>Legislative action is needed to consider appropriate funding and policy, and/or responsible agencies should review to determine needed action.</i> |
| OSU, ODF, OSFM, OHA, DEQ, DLCD, local jurisdictions | Local Adoption of Community Wildfire Risk Reduction Strategies (Section 3): Public Education and Outreach <ul style="list-style-type: none"> • Provide stable, predictable biennial funding to enable the OSU Extension Fire Program, State Agencies and partners to continue efforts to develop an Oregon-tailored community wildfire adaptation training for practitioners and lead educational training in safe and effective prescribed fire use. • With the passage of HB 3940 (2025), ODF and OSFM will now have dedicated and durable funding for educational opportunities to implement Oregon's 20-Year Landscape Resiliency Strategy and Community Risk Reduction Programs. These programs should prioritize projects that include robust education and outreach strategies intended to engage socially and economically vulnerable people and communities, including using wildfire hazard and Social Vulnerability Index data to prioritize work. • Provide additional investments for local governments to hold outreach and community meetings to help Oregonians, especially socially and economically vulnerable people, implement locally adopted defensible space standards and home hardening building codes. • Communications should be designed and coordinated to provide consistent messaging across organizations in a manner that is accessible to socially and economically vulnerable people, including diverse language-speakers. |
| OSFM, OSU, local jurisdictions | Local Adoption of Community Wildfire Risk Reduction Strategies (Section 3): Defensible Space <ul style="list-style-type: none"> • Continuous public outreach and education is essential to encourage habit formation and social acceptance of defensible space activities. This need is particularly acute in areas that may be resistant to regulation. While the funds and basic materials should come from the state, including OSU Extension Fire Program, OSFM Fire Risk Reduction Specialists, and/or local governments, it is critical that trusted, local partners and/or institutions are funded to actually carry out the outreach. • An ongoing feedback loop should be established by OSFM and local implementing partners to monitor the efficacy of defensible space programs, using standard evaluation criteria. Jurisdictions adopting the model code should develop metrics to track success and determine where there is a positive return on investment to further prioritize and fine tune the delivery of assistance. |
| OSFM, BCD, OSU, local jurisdictions | Local Adoption of Community Wildfire Risk Reduction Strategies (Section 3): Home Hardening <ul style="list-style-type: none"> • Continue to invest in helping Oregonians voluntarily comply with R327, including coordinating education amongst local governments and key wildland fire prevention and mitigation educators. • Prioritize grant funding to communities with the most need, considering the local regulatory structure and whether the community is located in a wildfire hazard area. • The state should help connect property owners to other sources of possible funding for home hardening and educational sources to improve decision-making. • Consider the home hardening grant program recommendations in the OSFM and BCD September 2024 report² for opportunities to expand grant applicability and eligibility requirements, including retrofit of existing homes. |

² <https://www.oregon.gov/bcd/Documents/5989-proposal-proactive-home-hardening-grant-program.pdf>

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| Responsible Agencies | Council recommendations - <i>Legislative action is needed to consider appropriate funding and policy, and/or responsible agencies should review to determine needed action.</i> |
| | <ul style="list-style-type: none"> • Because BCD's fire home hardening code provisions apply only to new one and two-family dwellings under current state law, direct BCD to develop a commercial code path for local adoption that would apply to commercial and multi-family buildings. • While federal pre-emption currently prevents BCD from creating construction requirements for manufactured homes, the relevant agencies should explore other methods to encourage or require hardening of manufactured homes, including a targeted education plan. • OSFM and BCD should collect data to better understand the extent and effectiveness of home hardening. While the Council does not recommend creating additional permit requirements to track this, there might be other methods to achieve this monitoring. |
| DLCD, OSFM | Local Adoption of Community Wildfire Risk Reduction Strategies (Section 3): Land use <ul style="list-style-type: none"> • The Council endorses DLCD's proposal to develop a wildfire adapted communities land use guide / model code. • Provide funding for technical assistance grants for local governments wanting to adopt or adapt the land use guide/model code. • Funds should be provided to enable DLCD to move forward with other recommendations in the <i>Wildfire Adapted Communities Recommendations Report</i>³ related to transportation planning to support safe evacuation and response, and coordination of Community Wildfire Protection Plan and Natural Hazard Mitigation Plan processes and adoption of policies and actions into comprehensive plans and codes. • Ensure that land use measures are integrated into and consistent with community and state level actions to fulfill the MOU with the IBHS. |
| HECC | Local Adoption of Community Wildfire Risk Reduction Strategies (Section 3): Oregon Conservation Corps <ul style="list-style-type: none"> • Continue to fund the OCC program at the HECC, providing stable, predictable biennial funding so OCC can plan ahead, retain staff, and deliver consistent fuels reduction statewide. This addresses a critical workforce development gap in wildfire suppression and response. • Establish a permanent OCC trust fund or endowment, seeded by the state and grown through philanthropy, to ensure long-term stability. HECC should continue to encourage public-private matching to maximize every state dollar. • Expand training and certification opportunities so participants leave with marketable skills for careers in firefighting, forestry, conservation, and emergency response. • Strengthen youth pathways by funding summer OCC academies tied to high schools and community colleges, creating a "second-year crew leader" track for returning participants, and supporting career counseling and recruitment for students not pursuing four-year degrees. • Designate OCC as a preferred partner for fuels projects, coordinating its crews with ODF, OSFM, and local fire districts to ensure safe, strategic, and efficient wildfire risk reduction. • The OCC should seek and support opportunities to collaborate with other entities as appropriate. |

³ https://www.oregon.gov/lcd/Publications/20220930_DLCD-Wildfire-Recommendations-Report.pdf

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| Responsible Agencies | Council recommendations - <i>Legislative action is needed to consider appropriate funding and policy, and/or responsible agencies should review to determine needed action.</i> |
| DFR | Insurance Assessment (Section 4): Advance Data-Driven Consumer Protections <ul style="list-style-type: none"> • Ensure full execution of SB 85’s framework for evaluating whether wildfire mitigation strategies, including defensible space, home hardening, and community-level resilience programs, should result in more affordable insurance coverage for consumers. • Allocate resources to support adoption of mitigation standards through financial assistance, technical support, and public education. • The legislature should encourage the insurance industry to recognize investment made by property owners by aligning their mitigation efforts with underwriting incentives, premium considerations, and risk-scoring models. • The legislature should encourage the insurance industry to promote transparency in how mitigation data is collected, evaluated, and used to inform coverage decisions—ensuring that consumers understand the benefits and trade-offs. • Maintain legislative oversight to ensure SB 85 delivers actionable findings and scalable solutions within a realistic timeline. |
| DFR | Insurance Assessment (Section 4): Expand Consumer Protections Across Property Types <ul style="list-style-type: none"> • Consider creating statutory safeguards similar to, as appropriate, those extended to residential property insurance in SB 82 (2023) for agricultural, industrial, and commercial property risks, which currently fall outside key transparency and mitigation provisions. This effort would require a large investment for DFR to gain the staffing and expertise to expand protections to commercial and other areas besides personal lines homeowners. • Improve data collection and analysis to monitor urban-rural disparities, track rural insurance trends, and identify emerging gaps in coverage. |
| DFR | Insurance Assessment (Section 4): Preserve Market Competitiveness and Encourage Innovation <ul style="list-style-type: none"> • Avoid mandates that restrict modeling inputs or standardize underwriting tools, which could stifle innovation and reduce insurer flexibility. • Support the use of diverse modeling tools and datasets that reflect geographic, structural, and mitigation variability—enabling more accurate risk assessment and competitive pricing. • Engage with industry and consumers to avoid proposals that expose carriers to excessive legal risk for routine underwriting and claims decisions—ensuring continued participation in high-risk areas. • Engage with industry to protect proprietary modeling systems to maintain innovation and ensure a diverse, data-rich insurance landscape. Safeguarding these tools is essential not only for fostering competition and accuracy, but also for upholding the property rights of insurers whose intellectual capital drives market functionality and consumer choice. • Foster a regulatory environment that streamlines compliance, supports innovation, maintains predictable regulatory oversight, and encourages greater insurer investment through economic prosperity. |

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| Responsible Agencies | Council recommendations - <i>Legislative action is needed to consider appropriate funding and policy, and/or responsible agencies should review to determine needed action.</i> |
| DFR | Insurance Assessment (Section 4): Invest in Public Education and Technical Assistance <ul style="list-style-type: none"> • Allocate resources to help consumers understand their rights, coverage options, and available mitigation support. • Prioritize outreach to rural, tribal, low-income, and other historically underserved communities to ensure equitable access to insurance and resilience programs. |
| DFR and partners | Insurance Assessment (Section 4): Encourage Collaborative, Flexible Policy Development <ul style="list-style-type: none"> • Promote collaboration between consumers, insurers, regulators, policymakers, and related industries. • Avoid approaches that risk unintended consequences and market disruption. |
| DEQ, OHA, ODHS, BCD, OEM, ODF, local public health agencies and organizations | Other Wildfire Programs (Section 5): Smoke Management and Public Health <ul style="list-style-type: none"> • Renew funding to DEQ for wildfire and prescribed fire smoke mitigation work, including: <ul style="list-style-type: none"> ◦ Funds to support communities with developing Community Response Plans and to deploy additional air quality sensors to fill in the gaps in Oregon’s ambient monitoring network. ◦ Grant funds for local governments and entities seeking engagement in Community Smoke Response Planning to further develop and implement these plans. • DEQ should prioritize funding for Community Smoke Response Plans. • DEQ should partner with other agencies and institutions to utilize existing smoke monitoring data. • Provide sustainable, sufficient funding for public health agencies and organizations to provide education and resources that can address the health impacts of smoke, including support for regionwide coordination. • Continue to provide sustainable funding for local health departments through the Public Health Modernization funding source. • The ODF Smoke Fund used to pay for smoke management and to support prescribed burning across the state will end the year in a deficit for the first time. Consider using mitigation funds as a potential source to backfill budget gaps in the program to keep the Smoke Fund viable, rather than increases to current fees. • Efforts to increase housing resilience to fire should also consider how buildings can be improved to be better equipped to maintain clean indoor air during wildfire smoke episodes, which will require significant investment over the long term. This may also include examining policies and practices in congregate settings such as schools and long-term care facilities. • Local mitigation measures should include the following to address the public health concerns of wildfire smoke that often occur independently of wildfire risk to communities: <ul style="list-style-type: none"> ◦ Renew funding for programs that provide residents access to free or low-cost air purifiers. ◦ Encourage the inclusion of smoke mitigation in Community Wildfire Protection Plans and Natural Hazards Mitigation Plans so that local stakeholders are working collaboratively to manage and respond to the unhealthy smoke exposures during wildfires, as well as shorter-duration smoke that may be present during prescribed fires. |

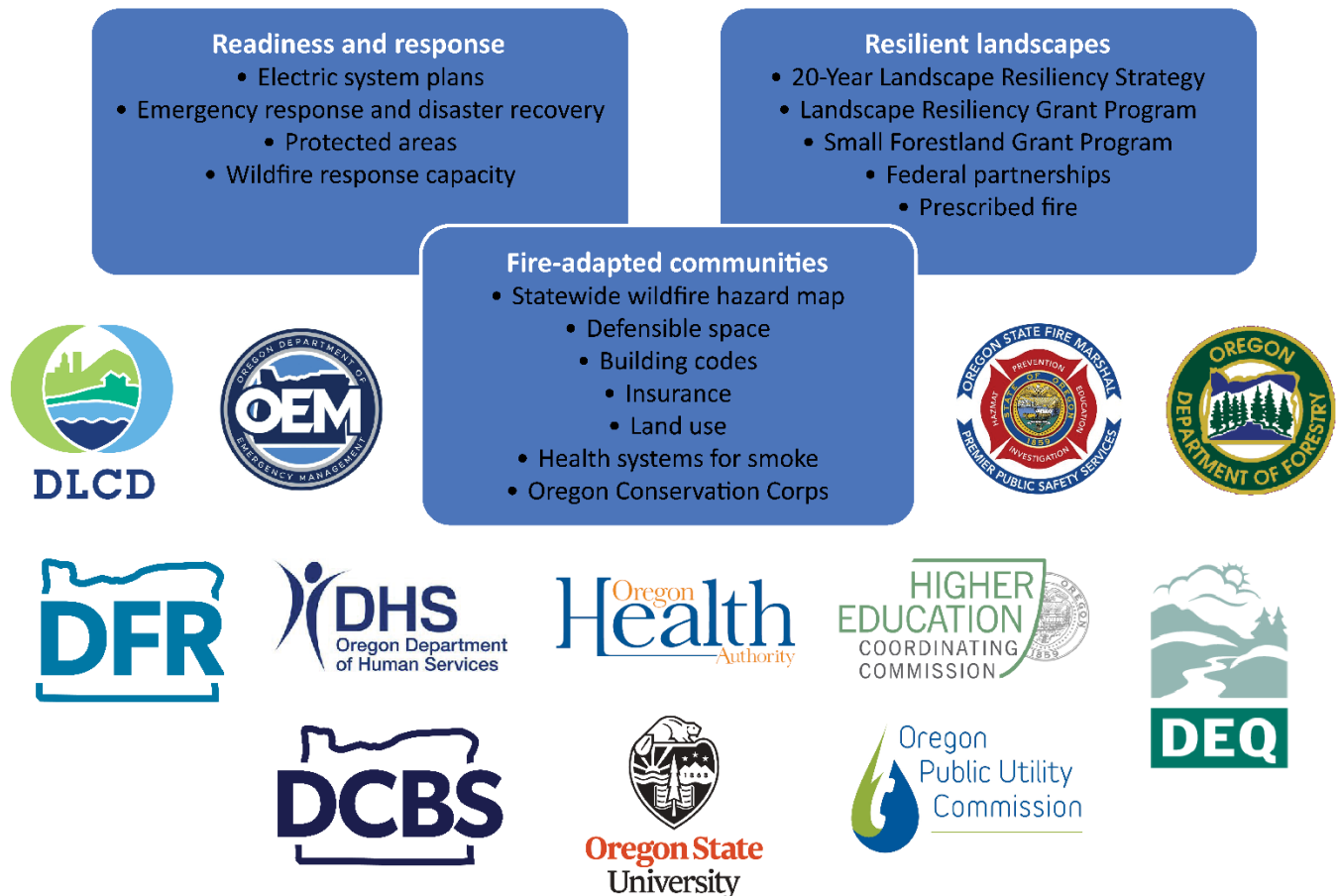
1. INTRODUCTION

Oregon continues to face ever-increasing risks and impacts from wildfire, with the 2025 fire season demonstrating the importance of investing in proactive mitigation and safe and effective wildfire response.

Senate Bill 762 (2021)

SB 762 programs pursue the three goals of the Cohesive Strategy (Figure 1). These programs work together to modernize Oregon's fire preparedness and response systems, creating new opportunities to advance fire protection at multiple scales from the individual to the landscape.

Figure 1. SB 762 programs support the three goals of the National Cohesive Wildland Fire Strategy



Some programs initiated in SB 762 continued to be funded in the legislatively adopted budget for 2025-2027 along with newly created funding mechanisms, programs, and policies, while others were not. Funding strategies established during the 2025 legislative session are further discussed in Section 2, below. In addition, new wildfire-related laws passed in the Oregon Legislature in 2023, 2024, and 2025 went into effect, further discussed in Section 3 and Section 4, below. More detailed background information and updated policy context are included in Appendix A.

Wildfire Programs Advisory Council

SB 762 established a state-wide Wildfire Programs Director position and Wildfire Programs Advisory Council (Council) to guide implementation. The Council, originally consisting of 19 members representing a broad and diverse range of Oregon's geographies and wildfire-related sectors, now has 21 members. SB 83 (2025), added two new positions to Council: one member who represents the structural fire service and who has experience with managing, fighting, or preventing wildfire within the WUI; and one member who represents the insurance industry. The roster of current Council members is included in Appendix B.

The Council is charged to monitor progress, advise, and assist the Director; and prepare an annual October report to the Governor and appropriate committees or interim committees of the Oregon Legislative Assembly. This report describes implementation progress and specifically provides advice and recommendations on:

- Activities related to wildfire prevention and response, including receiving and evaluating agency reports related to wildfire prevention and response.
- Potential changes to the activities in order to fulfill the goal of dramatically reducing wildfire risk in this state and ensuring that regional defensible space, building codes, and land use applications are appropriate.
- Strengthening intergovernmental and multiparty collaboration and enhancing collaboration between governments and stakeholders on an ongoing basis.
- Developing strategies to enhance collaboration among governmental bodies and the general public.

Given the nature of evolving wildfire events and impacts and the changing policy landscape, further described below, the Council also continues to more broadly track lessons learned about the urgent need to build resiliency and better prepare communities to safely respond to the threat of wildfire.

This fourth annual (2025) report fulfills SB 762's reporting requirement for the Council.⁴ It represents the efforts of Council members and agency support staff. It was developed through a collaborative process centered around three workgroups focused on:

1. Funding assessment (Wildfire Funding Workgroup "Fire 35", HB 3940, and HB 5006)
2. Local adoption of strategies for community wildfire risk reduction (SB 83)
3. Insurance assessment—keeping coverage within reach (SB 85)

Additionally, other wildfire program areas, including smoke management and public health and utilities, were discussed by the Council.

The workgroups met regularly to obtain information from agencies, discuss members' perspectives, and develop draft report content. Members were not required to seek consensus. Workgroups sought to clearly document common ground and differing views where they existed. Discussion and voting on the recommendations of the draft report occurred at the October 17, 2025, meeting of the full Council to capture extent and levels of support (full support, support with reservations, do not support, or neutral), and to ensure that all perspectives were heard.

⁴ Prior Council reports are available at: <https://www.oregon.gov/gov/policies/pages/wildfire-programs-council.aspx>

2. Sustainable Funding Assessment

Introduction

In 2019, the Governor’s Council on Wildfire Response report⁵ established Oregon’s roadmap to advancing fire protection with 37 recommendations generated from a diverse group of approximately 100 volunteers. In 2021, most of these recommendations, in some form, translated to Oregon’s foundational wildfire bill with the passage of SB 762. One notable exception was Recommendation 37 - Sustainable Funding. In 2024, the legislature adopted SB 5701, and directed ODF and OSFM to convene a workgroup to identify solutions for sustainable wildfire mitigation and suppression funding to address the growing wildfire crisis. This wildfire funding workgroup, colloquially known as the Fire 35, convened in the summer of 2024. That was Oregon's most expensive fire season on record, with expenditures totaling \$350 million in suppression costs and losses of nearly 2 million acres. In 2025, the Fire 35 completed its work, providing the legislature with a suite of funding options to choose from and a recommended minimum biennial funding target of \$280 million for wildfire mitigation and response costs.⁶ In response to the recommendations of Fire 35, the 2025 legislature passed HB 3940 to address wildfire funding. Coupled with one-time funding in HB 5006 and funding provided within agency budget bills, the legislature allocated a total of \$271 million for the biennium for wildfire funding. Each of these funding bills and associated programs is discussed in further detail below.

House Bill 3940

Summary

Table 2: House Bill 3940 Summary

| House Bill 3940 | Summary |
|--|---|
| Dedicated and Durable Wildfire Mitigation Funding (estimated \$43 million total in the 2025-2027 biennium, with variability into future biennia) | <ul style="list-style-type: none">• New tax on oral nicotine products (Zyn), estimated \$14 million per biennium distributed:<ul style="list-style-type: none">○ 1/3 of revenues directed to Landscape Resiliency Fund (ODF fund to provide grants for hazardous fuels reduction on public or private lands and in communities near homes and critical infrastructure) - ORS 477.502⁷○ 2/3 of revenues directed to Community Risk Reduction Fund (OSFM fund to provide grants to improve fire resilience in the WUI) - ORS 476.396⁸• 20% of the interest from the Oregon Rainy Day Fund, estimated \$29 million per biennium distributed:<ul style="list-style-type: none">○ 6.7% (1/3) of revenues directed to the Landscape Resiliency Fund○ 13.3% (2/3) of revenues directed to the Community Risk Reduction Fund |

⁵ <https://www.oregon.gov/osfm/Documents/GovWildfireCouncilRpt-FinalRecs.pdf>
⁶ <https://fireworkgroup.wpengine.com/wp-content/uploads/2025/05/owfg-request-letter-and-process-report-feb2025.pdf>
⁷ https://oregon.public.law/statutes/ors_477.502
⁸ https://oregon.public.law/statutes/ors_476.396

| House Bill 3940 | Summary |
|---|--|
| Emergency Fire Cost Committee (EFCC) | <ul style="list-style-type: none"> Increased from 4 to 6 members (2 large landowners, 1 small landowner, 1 grazing, 1 at-large, and 1 non-voting representative of the Board of Forestry) Refocused its purpose to reviewing district budgets and providing recommendations on those budgets to the Board of Forestry |
| Oregon Forestland Protection Fund (OFLPF) | <ul style="list-style-type: none"> Improved Lot Surcharge increased from \$47.50/lot to \$58/lot and future increases indexed to inflation (revenues directed to the districts from which they were collected) Minimum Lot Fee increased from \$18.75/lot to \$20/lot and future increases indexed to inflation (revenues directed to the districts from which they were collected) Forest Products Harvest Tax increases from \$0.625/thousand board feet to \$1.00/thousand board feet and future increases indexed to inflation (revenues collected statewide and distributed pro rata to district budgets on an acreage basis) The OFLPF revenues repurposed to fund District Budgets; specific uses of the OFLPF include: <ul style="list-style-type: none"> Making payments for the fiscal year budgets of forest protection districts, but not for centralized administration costs Paying for nonroutine purchases of supplemental fire prevention, detection or suppression resources Make a loan to ODF or a protection district for wildfire costs |
| "Large Wildfire Fund" | <ul style="list-style-type: none"> A new "Large Wildfire Fund" established in ODF, to be funded by the legislature and fire-cost reimbursements from the federal government to pay for the State's large fire suppression costs. |
| "Centralized administration costs" | <ul style="list-style-type: none"> "Centralized administration costs" consisting of headquarters services (Salem costs), area costs, and administration prorata (public lands) removed from district budgets and now covered by the General Fund. |
| ODF Reporting | <ul style="list-style-type: none"> ODF has additional reporting requirements for large wildfires, including the number of acres (forestland or grazing land), economic value of the damage, and the number of buildings destroyed. |
| Grazing Rates | <ul style="list-style-type: none"> A rate offset for protection district budgets established for Class 3 lands (agricultural lands) within the district (\$1.5 million of General Fund provided for the biennium) Grazing lands now have a minimum protection rate of \$0.30/acre, including tribal grazing lands, and future increases are indexed to inflation Eliminates zone 1 land classification for grazing acres in Grant County and reclassifies them as Class 3 lands consistent with all other grazing acres across the state. |
| Rural Fire Protection Districts (RFPD) | <ul style="list-style-type: none"> Expands lands that are eligible for local fire district assessment, regardless of classification by a forest protection district Expanded eligibility for assessment <ul style="list-style-type: none"> Any lot within a city limit Any improved lot within RFPD boundary is subject to assessment of the structure and up to 10 acres |

| House Bill 3940 | Summary |
|---------------------------------------|---|
| | <ul style="list-style-type: none"> ○ Any unimproved lots 10 acres in size or smaller • Ineligible for assessment by RFPD on lands classified within a forest protection district: Unimproved lots greater than 10 acres in size. |
| ODF and OSFM Authority | <ul style="list-style-type: none"> • Establishes authority for ODF and OSFM to borrow money from the State Treasury for fire suppression and mobilization |
| “Wildfire Prepared Structure Program” | <ul style="list-style-type: none"> • Directs OSFM to establish the “Wildfire Prepared Structure Program” <ul style="list-style-type: none"> ○ Grant program for homes and communities in the WUI, allows for proactive projects along with postfire recovery |

Implementation Timeline

- Fiscal Year 1: July 1, 2025 – June 30, 2026
 - One-time \$9 million General Fund investment applied to sustain the Bureau of Land Management / ODF suppression contract and rate relief for all types of landowners including a \$1.5 million rate relief directed to grazing lands. ODF is planning to apply the remaining \$7.5 million this year as a rate credit, which will show up as a carryover for district budgets next year depending on the severity of the fire season. It may make sense for ODF and grazing landowners to carry the \$1.5 million across two fiscal years to achieve the greatest benefit: an analysis is currently underway. The \$7.5 million rate relief for landowners is consistent with what was originally funded in SB 762 (2021), and will act as bridge funding until HB 3940 policy changes come into effect.
- Fiscal Year 2:
 - \$13.5 million of rate relief anticipated through re-direct of increased: Harvest Tax, Minimum Lot Fee, and Improved Lot Surcharge
 - Centralized administrative costs cannot be included in district budgets. ODF's budget bill did not include those costs, so they will need to go to the legislature to request funding to cover those costs.
- Fiscal Year 3:
 - Initiates full implementation in 2027-2029 biennium, to include administration cost adjustments, estimated at \$28 million.

House Bill 5006

HB 5006 made additional appropriations for wildfire and natural disaster mitigation and response. All are one-time investments for the 2025–2027 biennium:

- \$150 million to the Emergency Board for natural disaster response (all natural disasters, not just wildfire, and available to all state agencies)
- \$24 million to ODF for Fire Severity Program
- \$7 million to ODF’s Landscape Resiliency Fund
- \$7.5 million to ODF for land-owner offsets to forest patrol assessments
- \$1.5 million to ODF for HB 3940 offset for Class 3 forestlands
- \$4 million to ODF for wildfire detection cameras
- \$13 million to OSFM for Community Risk Reduction Fund

Wildfire Readiness and Suppression Funding

Oregon's wildfire readiness and suppression system is recognized as one of the strongest in the nation. Continued and reliable funding is critical to protecting people, communities, and the natural resources on which they depend.

A major milestone in recent years is the legislature's recognition that wildfire is an "all-Oregonian problem" that requires "all-Oregonian solutions." This shift acknowledges that wildfire impacts every region and every community in the state, and that the costs and responsibilities of readiness and response must be shared broadly.

Over the past two years, the legislature has taken major steps to strengthen this funding system. Two recent laws now provide the foundation for how Oregon pays for large wildfire suppression and response:

- House Bill 3484 (2023): Established the Department of State Fire Marshal's Mobilization Fund.
- House Bill 3940 (2025): Established the Oregon Department of Forestry's Large Wildfire Fund.

State Fire Marshal Mobilization Fund

The Mobilization Fund covers the costs of emergency mobilization, pre-positioning of resources, and reimbursement for firefighting activities. It is continuously appropriated, though the department must still request funds each biennium. An additional \$6 million was appropriated through the agency budget to support upstaffing grants, which help local fire districts expand their capacity during Oregon's wildfire season.

The OSFM received \$10 million in funding for mobilizations during the 2025-2027 biennium. To date in 2025, OSFM's mobilization costs are about \$16.2 million, with one month remaining in the current fire season. This creates a shortfall and requires OSFM to request additional resources to cover the rest of the 2025 fire season. Without a stable funding source dedicated to suppression, OSFM will run out of funds for the 2026 fire season. Establishing a reliable, accessible, and ongoing funding mechanism is crucial to ensure Oregon can respond effectively to the ongoing threat of wildfire.

In addition, significant readiness gaps still exist. The 2026 Upstaffing Grant was funded, but no funding was allocated for the 2027 Upstaffing Grant, leaving a critical gap in suppression capacity for the second year of the biennium. Furthermore, one-time investments in suppression readiness have ended, leaving equipment grants, engine program maintenance, and other capacity-building efforts unfunded. Consistent and predictable resources are necessary to support the three pillars of the National Cohesive Wildland Fire Management Strategy: safe and effective wildfire response, fire-adapted communities, and resilient landscapes.

Finally, ongoing implementation of House Bill 3940 and the Forestland Classification process is essential. This legislation allows rural fire protection districts to collect revenue from lands they already protect, enhancing local capacity. Continued support from the legislature is needed, along with clear instructions to OSFM and ODF to track and report the revenue generated through these efforts. Securing durable funding for suppression and readiness at both the state and local levels will enable the Oregon Fire Service to protect the 92 percent of Oregonians that live within a local fire protection district.

Oregon Department of Forestry Large Wildfire Fund

The Large Wildfire Fund was created to pay for wildfire mitigation and suppression. This fund helps address ODF's long-standing cash flow challenges in carrying gross fire costs. Large wildfire costs are generally defined as those that exceed district budgets. District budgets are for initial attack providing an "adequate level of protection" based on the types of lands within that protection district. Each district is unique and has

its own budget established through a local budget committee to determine that level of protection for the district. This financial encumbrance occurs when suppression costs must be paid up front while federal reimbursements take months or even years to receive. The creation of the fund is an important step forward, though it still requires dedicated revenue to be fully effective and facilitate timely payments to vendors.

The passage of HB 3940 establishes that grazing lands and timber lands owned in fee by a federally recognized Indian tribe will now be assessed at the same rate as private lands. This language will result in more consistency and clarity in interpreting the proper assessment and puts the federally recognized tribes in Oregon on an even playing field.

There remains a question on lands, mainly in Eastern Oregon, that do not currently fall within a fire protection district and do not pay assessments for fire protection. What is an appropriate assessment for these lands?

Cash Flow Tools

The legislature also authorized treasury loans for both OSFM and ODF. These loans allow agencies to access funds while awaiting federal reimbursement, helping to avoid service disruptions. However, loans come with fees and interest, which make them more expensive than direct investment into the Mobilization or Large Wildfire Funds.

Legislative Investment in Suppression and Response

In addition, the legislature allocated \$150 million through HB 5006 as a special purpose appropriation for wildfire suppression and response. This amount reflects the five-year average **net cost** of large wildfires managed by OSFM and ODF. Currently, the funds are available for other disaster needs as well. The Council recommends dedicating these funds specifically to the Mobilization Fund and the Large Wildfire Fund to ensure sustained wildfire readiness and response.

Investments in Wildfire Detection Cameras

There was a General Fund appropriation of \$4 million to ODF's Fire Protection division to advance ODF's wildfire detection camera program. These camera systems have proven to be a valuable resource that aid in early detection and help ODF meet its Key Performance Measure of containing 98 percent of fires at 10 acres or less.

Aviation Resources

Aviation assets are critical to effective suppression, and the legislature invested in two important ODF programs:

- **Aviation Program (\$24 million):** The additional funding extended contract lengths from 75 to 90 days and resolved some FAA restrictions that limited aircraft operations over and across congested areas. This ability to cross congested highways proved valuable during the 2025 Rowena Fire where homes and lives were threatened. The Council recognizes that this funding has been stagnant for years and has left the agency with an unfunded liability to keep pace with inflationary increases.
- **Detection and Technology (\$4 million):** Funding supports wildfire detection tools, like smoke-detection cameras and technology systems. ODF's Multi-Mission Aircraft is scheduled for replacement through bond-funded loans to be paid through landowner assessment rates.

Equity Considerations

Funding decisions have direct impacts on rural and socially and economically vulnerable communities. For example, making it clear in statute that tribal fee lands are to be assessed at the same rate as other private lands reduces the financial burden of protection for tribes that own fee land and provides an equitable fee structure statewide. This clarification of assessment of tribal fee lands will add consistency throughout the ODF Protection Districts. Rural fire district adjustments under HB 3940 may place higher costs on small landowners and communities with limited tax bases. At the same time, these communities often face the highest wildfire risks. Reliable, timely, and equitable funding helps reduce disproportionate impacts and strengthens wildfire protection for all Oregonians. Increases to the surcharges for minimum and improved lots under ODF protection will be directed to local protection districts making sure that those local dollars stay local and align with the level of protection needed in each district. The landowner rate relief funding is in line with the one-time \$15 million of funding that was provided under SB 762 (2021) and eases the financial burden of Oregonians whose land is under ODF protection as the H3940 funding mechanisms get implemented. Those new funding mechanisms address the landowner rate relief issue through thoughtful policy rather than direct payments.

Conclusion

Taken together, these legislative actions mark major progress in stabilizing and setting a foundation for Oregon's wildfire readiness and response system. Continued attention to dedicated funding, equitable cost-sharing, and consistent implementation will be essential to ensure that the system remains effective in the years ahead.

Wildfire Mitigation Funding (Landscape and Communities)

HB 3940 represents Oregon's first successful attempt at creating permanent wildfire funding streams and marks a philosophical shift toward proactive wildfire mitigation in conjunction with effective wildfire readiness and suppression focused policies.

The bill created important institutional infrastructure (dedicated funds, new programs, revised governance) that can be scaled up but requires significant additional revenue and sustained commitment to achieve adequate wildfire protection for Oregon.

HB 3940 established two specialized mitigation funds with distinct purposes:

- **Landscape Resiliency Fund:** Receives one-third of nicotine tax revenue and 6.7% of rainy-day fund interest allocation for landscape-level wildfire risk reduction projects including forest management, prescribed burns, and fuel reduction across large areas, and spans land-ownership boundaries.
- **Community Risk Reduction Fund:** Receives two-thirds of nicotine tax revenue and 13.3% of rainy-day fund interest allocation for community-level wildfire mitigation including defensible space, home hardening, and evacuation planning at the neighborhood level.

It also created a new grant program at OSFM, in collaboration with the Department of Consumer and Business Services (DCBS), "to facilitate the retrofitting of" residential dwellings to make them more fire resistant, discussed in further detail in Section 3 of this report.

The legislation coordinates mitigation efforts across multiple agencies, with HB 3940 working alongside other bills to secure \$117 million for mitigation and community resilience through integrated programming.

The mitigation funding builds on existing efforts and programs at ODF (Landscape Resiliency Program established under SB 762 (2021)) and OSFM (Community Risk Reduction Fund). With existing agency programs and infrastructure, the new funding streams have existing mechanisms to distribute funds for their purpose of mitigating wildfire risk in communities and landscapes.

Recommendations

The Council makes the following recommendations about wildfire funding:

Suppression and Response

- The legislature should fund ODF's Large Wildfire Fund and OSFM's Mobilization Fund at their respective 5-year trailing average **net costs**, rather than making funding available through Emergency Board requests.
- Request that OSFM work with RFPDs and taxing districts to provide a report quantifying the revenue raised from the new assessment policy under HB3940 (2025). This could be complicated. At minimum, the report should show the difference in total annual revenue pre/post implementation for rural fire protection districts to measure whether the actual increased revenue received meets the goal of the policy change.
- The legislature should provide sustained funding and support for ODF aviation, early detection, and technology programs as critical tools to limit the impact of wildfire on our communities and natural resources.
- The legislature should fund centralized administration costs for ODF in the second year of the 2025-2027 biennium; consider during the short legislative session.

Mitigation

- Increase the pace and scale of prescribed fire as an effective tool for wildfire fuel reduction.
- The funding for liability protection available to Certified Burn Managers conducting prescribed fire treatments is not sufficient to support the needed pace and scale of fuel treatments using beneficial fire. The current \$1 million dollar fund may not be sufficient liability coverage for some projects. The allocated funding should scale with the acres under ODF protection or otherwise eligible lands (i.e., tribal lands) to have a covered burn take place.
- Mitigation should also be defined as efforts that will increase forest and rangeland wildfire resilience in preparation for and response to wildfire. These definitions may need to be addressed in statute or associated agency administrative rules.
- OSFM should expand community risk reduction efforts to include neighborhood-scale planning, property ingress and egress, apparatus accessibility, and maintenance for low-income residents. If statute limits eligibility, policy changes should be considered.
- As mitigation grant programs are developed or reviewed, they should include maintenance considerations to ensure those projects continue to add benefit over time. Fuels reduction treatments, for example, require maintenance to be effective. ODF and OSFM should consider giving a certain portion of grant program awards for maintenance projects.
- ODF and OSFM mitigation projects should prioritize funding for communities identified as socially and economically vulnerable by providing sliding-scale cost sharing based on household income, multilingual education and outreach programs, and mobile home park mitigation programs, including renter protection.
- The legislature should consider creating an endowment structure for long-term landscape maintenance funding.
- The legislature should consider broadening new reporting requirements under HB 3940 to reflect the impacts of large wildfires on landscape resilience measurements.

3. Local Adoption Of Strategies for Community Wildfire Risk Reduction

Introduction

The Oregon Legislature adopted SB 83 in 2025, which repealed the statewide wildfire hazard map and the associated state level regulatory requirements for defensible space and use of wildfire resilient building standards that would have applied to new construction of one- and two-family dwellings no more than three stories of grade within high wildfire hazard areas of the state. The legislature instead established significant alternative wildfire mitigation programs accompanied by permanent funding for a Landscape Resiliency Fund and a Community Risk Reduction Fund. In doing so, the legislature endorsed an approach to keeping Oregon wildfire prepared that relies largely on voluntary actions of individual property owners and the option of locally-adopted regulations by local governments and communities.

These alternative programs are designed to accompany and complement community wildfire risk reduction programs the legislature already established in SB 762 (2021) and subsequent legislation (SB 80 and 82 (2023)), and include:

- Directing DCBS' Building Codes Division (BCD) to adopt a wildfire hazard mitigation building code that municipalities may, at their option, adopt for application to construction of new one- and two-family dwellings.
- Directing OSFM to establish a grant program for retrofitting dwellings to meet wildfire resilience standards, with preference for projects that benefit those living in the WUI, those who also implement defensible space requirements, persons in socially and economically vulnerable communities, low-income persons, and those whose homes have been destroyed or significantly damaged by a wildfire under the Emergency Conflagration Act.
- Directing OSFM to establish a community risk reduction program emphasizing education on wildfire risk, creating a model code for defensible space, community response planning, and community preparedness.

Oregon's geography and climate expose us to several disaster threats. Climate change puts Oregon communities at higher risk of wildfires and extreme weather events, like flooding, post-fire debris flows, and ice storms. The Council understands that the risks of wildfires across the state are real and potentially devastating, and the state should respond appropriately by preparing—now—while we have the opportunity.

This section emphasizes what is next for reducing wildfire risk to communities. Elements of SB 762 that focused on defensible space, building codes, and land use applications remain important. Some communities are already addressing wildfire risk by adopting ordinances for defensible space and home hardening. These ordinances may serve as a model or at least a starting point for other local governments to respond to wildfire risk in their communities.

The 2025 Oregon Legislature established durable funding for the OSFM Community Wildfire Risk Reduction Program, discussed in Section 2 Funding Assessment, above, which is estimated to generate approximately \$42 million in the 2025-2027 biennium. Some of this will assist local governments, fire districts, and other agencies with community risk reduction. These funds are critical for advancing local code development, educational materials, and outreach programs that improve wildfire education and voluntary and regulatory efforts to reduce community wildfire risk.

This section reviews the current policy context and implementation opportunities and makes recommendations on the following:

- Improving community preparedness and building community resilience
- Increasing community wildfire education and outreach, including tools designed to effectively reach diverse types of socially and economically vulnerable individuals and communities
- Identifying changes necessary to dramatically reduce wildfire risk and ensure site-specific and regional defensible space, building codes, and land use applications are appropriate
- Strengthening intergovernmental and multiparty collaboration, including government, stakeholders, and the public, on the above topics

Equity Considerations

Funding decisions have direct impacts on rural and socially and economically vulnerable communities. Because of the core change to the structure of the community risk reduction program, it will be even more important going forward to ensure that socially and economically vulnerable people—those with lower incomes, older people, those with physical limitations, those for whom English is not their primary language, and others—living in the WUI have the information, assistance, tools, and other resources they need to make and keep their homes and neighborhoods wildfire prepared and resilient. Among other things, this means local governments and organizations must use diverse and multiple ways to reach out both to provide and to receive information. Grants and other assistance must intentionally include socially and economically vulnerable populations. Funding the outreach and the on-the-ground work with Oregonians is key to effective and lasting implementation of defensible space and home-hardening programs.

Public Education and Outreach

Since the passage of SB 762 (2021), education has been a critical and necessary component to wildfire mitigation efforts in Oregon. With the repeal of the statewide wildfire hazard map and a statewide regulatory structure (SB 83, 2025), knowing the wildfire potential at the neighborhood and community level assumes a more critical role. OSFM was tasked with forming and implementing the Community Risk Reduction Program, which places an emphasis on “education and methods of prevention with respect to wildfire risk, the creation of a model code for defensible space, response planning, and community preparedness for wildfires” (SB 762, 2021, as amended by SB 83, 2025). When property owners are educated about the potential for wildfires on and around their land, it teaches them how to prevent accidental ignitions, understand fire safety, and develop fire-adapted behaviors, leading to fewer wildfires, injuries, and property loss. Since the program was established in 2021, OSFM has provided \$22,174,958 to 146 different individuals and organizations for community wildfire risk reduction. With the passage of HB 3940 (2025), OSFM will now have durable and dedicated funding to expand the Community Risk Reduction Program.

A key component of future community education will combine educational resources that reach individuals and all levels of local governments. One key part is the extension program at Oregon State University (OSU). In 2019, the Oregon Legislature passed HB 5050, which allocated new funding to OSU Extension to create a Fire Program. The Extension Fire Program became fully operational in 2021 and works in concert with the various programs established in SB 762. OSU Extension Fire Program’s team of dedicated personnel helps foster fire-adapted communities and resilient ecosystems through place-based partnerships. By offering regionally-specific fire history and ecology knowledge, OSU Extension Fire Program helps communities become wildfire adapted through defensible space, vegetation management, and education about what to have on hand when a wildfire threatens the area.

In addition to the work being done through state agencies, local governments have also been working to reduce the risk of wildfire through education. A few examples of these efforts follow:

- Deschutes County has created a grant program to fund projects that reduce wildfire risk through continued implementation of fuel reduction, defensible space, and community work parties.
- Wasco County is working to build a culture of wildfire mitigation with property owners through education around code compliance rather than nuisance complaints. The County has prioritized creating a “culture of property maintenance and fire mitigation.”

The education called for in recent wildfire legislation empowers Oregonians and local communities to make informed decisions and adopt preventative practices, like responsible debris removal and vegetation management, to prepare for and respond to wildfire threats—which ultimately saves lives and protects communities.

Defensible Space

As defined in Oregon Revised Statute 476.390, defensible space is “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.” For home ignition zones, the first 0–5 feet around the structure, defensible space refers to actions taken by property owners to create and maintain areas around their homes that are cleared of flammable materials to minimize risk of ignition and facilitate fire suppression efforts. Defensible space is a critical component of any local wildfire risk reduction program.

SB 83 (2025) repealed the statewide wildfire hazard map and any required application of the R327 building code and defensible space tied to the map. SB 83 shifts the authority and responsibility to voluntarily adopt defensible space requirements to local governments. OSFM, in consultation with the Oregon Fire Code Advisory Board, is directed to create a model code for defensible space that will be available for local adoption, consistent with the International Wildland-Urban Interface Code. Defensible space and R327 building code standards are aligned and best paired to create complementary protection.

The 2025 Oregon Legislature allocated \$42 million in durable funding to OSFM for the Community Wildfire Risk Reduction Program, some of which is slated to assist local governments, fire districts, and other agencies and organizations with defensible space implementation. Currently, OSFM offers free defensible space assessments to property owners. Nearly 3,000 owners have taken advantage of the assessment program to date. OSFM conducted a pilot project designed to overcome hesitant property owners by financially incentivizing owners to participate in these assessments. The program also provides a Defensible Space Checklist and draft model code language to guide best practices.⁹

Without mandated participation, implementation will vary across Oregon. Some jurisdictions will be motivated and proactive in implementing a defensible space code, while others may lack capacity, funding, and/or political will to do so. Therefore, several programs have been created, and more are underway to bring consistency and equity to adoption. One advantage of developing the model code is that there will be consistent standards between those governments that adopt it. Part of OSFM’s charge under SB 83 is to bring technical and financial support for populations in need. There are several partnerships operating to educate the public and demonstrate the efficacy of defensible space measures, including those led and/or facilitated by the OSU Extension Fire Program and OSFM Fire Risk Reduction Specialists.

Several cities and counties across the state have adopted defensible space standards as well as landscaping, fencing, and home hardening building code requirements - providing other local governments examples of

⁹ <https://www.oregon.gov/osfm/wildfire/pages/defensiblespace.aspx>

successful programs, best practices, and lessons learned. Since 2018, the City of Ashland has had a wildfire safety ordinance¹⁰ that enforces fuel modification areas and applies to all parcels in the city. Standards include the type and location of materials and vegetation relative to a home, including restricting new plantings of known flammable trees and shrubs on any lot in the city at any time. Ashland has compiled a list of fire-resistant landscaping to guide property owners, as well as the list of prohibited flammable vegetation. Ashland's ordinance also requires fire-resistant fence connections for new and replacement fences and land use development standards for wildfire lands.

Likewise, the City of Sisters amended its development code¹¹ to require use of defensible space requirements and is consider R327 wildfire resilient building codes that apply to new development within city limits, including all new buildings and detached accessory structures which, individually or cumulatively, increase lot coverage by 200 square feet or greater, including decks.

Wasco County has implemented fire safety and property development standards through its land use and development ordinance. Standards include requiring property owners to create and maintain fire fuel breaks around structures.

To encourage the removal of vegetative debris from around homes, Deschutes County offers a service, FireFree, so property owners can dispose of flammable debris at County landfills free of charge. Through this program, the County has collected an annual average of nearly 29,000 cubic yards. Deschutes County's participation in the Firewise™ Community program has successfully leveraged grant money and other resources to build wildfire resilience at the neighborhood and community scales.

Regarding the voluntary local participation/adoption of defensible space standards, state agencies have expressed concerns about the enforcement of the standards. The Council shares this concern. Jurisdictions adopting a defensible space code should also include an enforcement program. Each jurisdiction must assess whether it has the capacity to implement and enforce standards. Jurisdictions that do not have the capacity to adequately carry out their defensible space standards should proactively build the necessary capacity.

Another barrier identified by multiple agencies is the ongoing need for assistance for socially or economically disadvantaged or other vulnerable populations that would not otherwise have the means to maintain defensible space standards without technical or financial support. The Council shares this concern.

Home Hardening

Home hardening refers to using building materials and practices that can reduce the likelihood of home ignition by embers from wildfires. Methods available at the state and national level have significant beneficial use when implemented. Home hardening benefits homeowners, renters, the community, firefighters, and the state as a whole by helping to reduce ember movement, human injury and death, and home loss.

Moving forward, a key element to increase home hardening will be a focus on community education and support for local governments. OSFM and local governments should assess the value of implementing or expanding local wildfire education programs and adopting a regulatory structure for home hardening in new and existing development through local ordinances. The BCD, within the DCBS, has adopted home hardening standards within section R327 of the Oregon Residential Specialty Code (ORSC) that are available on a voluntary basis for local adoption and implementation. These building code standards have an application for new dwellings and accessory structures of dwellings. After passage of SB 83 (2025) the only option for R327 code adoption will be for local governments to adopt ordinances. A local government may

¹⁰ <https://ashlandoregon.gov/341/Wildfire-Safety-Ordinance>

¹¹ <https://www.codepublishing.com/OR/Sisters/html/SistersDevCode03/SistersDevCode0307.html>

also establish guidelines implementing the R327 code. Both approaches should be coupled with increased wildfire prevention and mitigation education. In the absence of local building code adoption, individuals and developers may still choose to build to the higher R327 standard.

Homeowner, renter, consumer, and contractor education will continue to be important. BCD outreach strategies include providing supporting materials to local building departments to provide to customers, sharing training materials for contractors to comply with the code changes, and highlighting the changes at industry and local government events. BCD educational tools include the Wildfire Home Hardening Guide, Wildfire Hazard Mitigation Training video, and information for estimating the cost of home hardening, available on the BCD's wildfire hazard mitigation website.¹²

The DCBS Division of Financial Regulation (DFR) conducts outreach across the state and offers educational materials on disaster preparedness and recovery to existing and future homeowners, with a focus on financial preparedness and insurance strategies. These materials target various community groups, including financial education providers, teachers, community-based organizations, business associations, local governments, and tribal governments. DFR's outreach also includes sharing materials from BCD, OSU Extension Fire Program, ODF, and OSFM, including Fire Risk Reduction Specialists, to increase awareness and participation in risk mitigation activities.

BCD and partners should continue to integrate and expand resources that provide advice and recommendations for home hardening solutions. Wildfire issues are housing and building safety issues; maintaining our current housing stock and mitigating risk to future housing is an important part of the overall housing strategy.

Land Use

In recognition of the role land use tools can play in supporting communities to be more wildfire prepared and resilient, SB 762 directed the DLCD to identify updates to the statewide land use planning program and local land use plans and zoning codes that are "needed to incorporate wildfire risk maps and minimize wildfire risk, including the appropriate levels of state and local resources necessary for effective implementation." The recommended updates may include, but are not limited to, "provisions regarding sufficient defensible space, building codes, safe evacuation and development considerations in areas of extreme and high wildfire risk, allowing for regional differences," noting that the substance of these elements would be developed by other relevant agencies, including OSFM, ODF, and DCBS.

In response, DLCD published the *Wildfire Adapted Communities Recommendations Report*¹³ in 2022 with six recommendations, which are community-scale actions that local governments may take to enhance wildfire preparedness. With the withdrawal of the wildfire map and its state-level requirements, these community-level actions become even more powerful options. DLCD's report includes the following:

- **Recommendation 1:** Cities and counties prioritize robust and inclusive community information and engagement in planning efforts to create wildfire adapted communities.
- **Recommendation 2:** Cities and counties assess and improve transportation networks for safe evacuation and firefighting response.
- **Recommendation 3:** Cities and counties review and amend local land use codes for new development to ensure safe evacuation and efficient firefighting response.
- **Recommendation 4:** Cities and counties review and amend comprehensive plan policies and implement land use codes to incorporate wildfire risk mitigation requirements for new development.

¹² <https://www.oregon.gov/bcd/codes-stand/Pages/wildfire-hazard-mitigation.aspx>

¹³ https://www.oregon.gov/lcd/Publications/20220930_DLCD-Wildfire-Recommendations-Report.pdf

- **Recommendation 5:** Cities and counties prepare for post-disaster recovery in local communities through recovery planning.
- **Recommendation 6:** Cities, counties, special districts, and Tribes to increase the effectiveness of natural hazards planning through coordination of Community Wildfire Protection Plan and Natural Hazard Mitigation Plan processes and adoption of policies and actions into comprehensive plans and codes.

As reported in the Council's 2024 Annual Report to the legislature, DLCD has taken some steps to move forward on Recommendations 3, 5, and 6, including a pilot program in Linn County to integrate Community Wildfire Protection Plans (CWPP) and Natural Hazard Mitigation Plans (NHMP). However, recent cancellation of Federal Emergency Management Agency hazard mitigation grant programs has reduced the department's access to resources used to fund this direct technical assistance to local governments, special districts, and tribes.

To bring the potential of these recommendations to all communities, DLCD plans to develop a wildfire adapted communities land use guide / model land use code that can be used on a voluntary basis by cities and counties. DLCD has long experience in developing model codes for local governments to adopt or adapt to best meet the needs of their community. These include model codes on other natural hazards: tsunamis, coastal erosion, sea level rise, landslide hazards, and flood hazards, in addition to model codes on land use, transportation, and housing development. Local governments have found DLCD's model codes to be very useful, and they enhance local staff capacity.

The model land use code would complement fire siting standards currently in county zoning codes for farm and forest zones, as well as other fire agency requirements for access, water supply, hydrant spacing, and the like. The model code could also be used in conjunction with building codes and defensible space standards. Best practices related to land use permitting for wildfire recovery and rebuilding could also be included.

DLCD is able to develop a model code using existing staff and resources. It hopes to begin in early 2026 by scoping out the project goals, parameters, timeline, outreach and engagement strategy, establishing an advisory group, and engaging with cities and counties and other government partners and stakeholders. As its budget permits, DLCD would like to provide grants to local governments for local adoption and implementation in the future.

The Council heard extensive comments from cities and counties, the OSU Extension Fire Program, fire professionals, those who work with socially and economically vulnerable populations, and more about the critical role of embedding—community wide—a culture of wildfire preparedness and mitigation, especially as Oregon goes forward without the regulatory structure associated with the wildfire hazard map. This will take widespread and diverse outreach and education methods and messengers, and a variety of tools. The wildfire adapted communities land use guide / model code is one of these tools.

In addition, the OSFM and the IBHS have entered into a Memorandum of Understanding to, among other purposes:

- Work towards integrating the IBHS Wildfire Prepared¹⁴ Home and Neighborhood standards with OSFM programs that encourage adoption and implementation at the neighborhood scale.
- Continue OSFM support for Firewise USA™ communities while identifying opportunities to implement the Wildfire Prepared Neighborhood designation.

The land use recommendations will play an important role in helping Oregon collaborate with the insurance industry to ensure that Oregon's property owners and communities achieve a level of wildfire preparedness and mitigation that will be recognized by the insurance industry.

¹⁴ <https://wildfireprepared.org/>

Oregon Conservation Corps

The Higher Education Coordinating Commission (HECC) administers youth workforce programs that are now an important part of Oregon's wildfire strategy, primarily via the Oregon Conservation Corps (OCC) and the broader Oregon Youth Works portfolio. Under SB 762 (2021) and related actions, HECC has been given grant and program-administration responsibilities to fund projects with non-profit and public partners for on-the-ground fuel reduction, community wildfire protection projects, and paid youth crews that both reduce wildfire risk and provide workforce training pathways. HECC also approves post-secondary programs that train the next generation of wildland fire professionals and natural resource workforce (for example, community college wildland fire science certificates). OCC is a program that does two things at once: it reduces wildfire risk on the ground, and it trains Oregon youth for careers in firefighting, forestry, conservation, and emergency response.

Since 2022, the program has employed more than 1,000 youth, paid \$4.4 million in wages, and supported about 150 staff positions. Crews have completed over 7,400 acres of fuels reduction at more than 1,100 sites across 82 ZIP codes, directly improving protection for 1,300 structures. For many participants, OCC was their first paid job. For communities, it meant safer homes, clearer evacuation routes, and more resilient neighborhoods.

OCC's results show its unique value: it invests in the next generation while producing real, measurable wildfire risk reduction. Participants gain certifications, experience, and a pathway into stable careers. Residents gain peace of mind knowing that defensible space and fuels treatments are happening in their communities. This is a grassroots effort where community members see the defensible space being established in their neighborhood and realize they can sign up for the service. This is particularly critical when many property owners and renters are unable to do the work themselves.

The program's challenge is funding stability. OCC has relied on one-time appropriations—\$10 million with an additional \$1 million to match private donations in the 2021-2023 biennium, \$10 million in the 2023-2025 biennium—along with limited philanthropic matches, and \$5 million in the 2025-2027 biennium through HB 5006. This uncertainty makes it difficult for local partners to plan, hire, and retain staff. Yet the need for fuels-treatment work and workforce training is ongoing. The OCC provides fuel reduction treatments at what could be viewed as a high cost per acre, but this needs to be taken in full context with the other benefits that the program provides, including providing on the job skills training and workforce development. This is a great investment that will pay dividends to the state by creating opportunities for at-risk youth and giving them marketable skills when they enter the workforce.

Recommendations

The Council recommends the following:

Public Education and Outreach

- The legislature should provide stable, predictable biennial funding to enable the OSU Extension Fire Program, State Agencies and partners to continue efforts to develop an Oregon-tailored community wildfire adaptation training for practitioners and lead educational training in safe and effective prescribed fire use, while continuing to equip citizens with the knowledge and skills to systematically assess wildfire risk to structures while prioritizing mitigation with attention to the ecological, social, and regulatory contexts.
- With the passage of HB 3940 (2025), ODF and OSFM will now have dedicated and durable funding for educational opportunities to implement Oregon's 20-Year Landscape Resiliency Strategy and Community Risk Reduction Programs. These programs should prioritize projects that include robust education and outreach strategies intended to engage socially and economically vulnerable people and communities, including using wildfire hazard and Social Vulnerability Index data to prioritize work.

- The legislature should provide additional investments for local governments to hold outreach and community meetings to help Oregonians, especially socially and economically vulnerable people, implement locally adopted defensible space standards and home hardening building codes.
- ODF and OSFM should provide Firewise USA TM-certified communities with opportunities to partner with neighboring communities on promoting the importance of proper fire mitigation strategies.
- Communications should be designed and coordinated to provide consistent messaging across organizations in a manner that is accessible to socially and economically vulnerable people, including diverse language-speakers.

Defensible Space

- Continuous public outreach and education is essential to encourage habit formation and social acceptance of defensible space activities. This need is particularly acute in areas that may be resistant to regulation. While the funds and basic materials should come from the state, including OSU Extension Fire Program, OSFM Fire Risk Reduction Specialists, and/or local governments, it is critical that trusted, local partners and/or institutions are funded to actually carry out the outreach.
- An ongoing feedback loop should be established by OSFM and local implementing partners to monitor the efficacy of defensible space programs, using standard evaluation criteria. Jurisdictions adopting the model code should develop metrics to track success and determine where there is a positive return on investment to further prioritize and fine tune the delivery of assistance.

Home Hardening

- The state should continue to invest in helping Oregonians voluntarily comply with R327, including coordinating education amongst local governments and key fire prevention and mitigation educators.
- The OSFM should prioritize grant funding to communities with the most need, considering the local regulatory structure and whether the community is located in a wildfire hazard area.
- The state should help connect property owners to other sources of possible funding for home hardening and educational sources to improve decision-making.
- The legislature should look to the home hardening grant program recommendations in the OSFM and BCD September 2024 report¹⁵ for opportunities to expand grant applicability and eligibility requirements, including retrofit of existing homes.
- Because BCD's fire home hardening code provisions apply only to new one and two-family dwellings under current state law, the legislature should direct BCD to develop a commercial code path for local adoption that would apply to commercial and multi-family buildings.
- While federal pre-emption currently prevents BCD from creating construction requirements for manufactured homes, the relevant agencies should explore other methods to encourage or require hardening of manufactured homes, including a targeted education plan.
- OSFM and BCD should collect data to better understand the extent and effectiveness of home hardening. While the Council does not recommend creating additional permit requirements to track this, there might be other methods to achieve this monitoring, including partnering with agencies such as the National Institute of Standards and Technology Fire Research Laboratory, the Fire Safety Research Institute, and the Insurance Institute for Business and Home Safety (IBHS).

¹⁵ <https://www.oregon.gov/bcd/Documents/5989-proposal-proactive-home-hardening-grant-program.pdf>

Land Use

- The Council endorses DLCD’s proposal to develop a wildfire adapted communities land use guide / model code.
- The legislature should provide funding for technical assistance grants for local governments wanting to adopt or adapt the land use guide/model code.
- Funds should be provided to enable DLCD to move forward with other recommendations in *Wildfire Adapted Communities Recommendations Report* related to transportation planning to support safe evacuation and response, and coordination of Community Wildfire Protection Plan and Natural Hazard Mitigation Plan processes and adoption of policies and actions into comprehensive plans and codes.
- Ensure that land use measures are integrated into and consistent with community- and state-level actions to fulfill the MOU with the IBHS.

Oregon Conservation Corps

- The legislature should continue to fund the OCC program at the HECC, providing stable, predictable biennial funding so OCC can plan ahead, retain staff, and deliver consistent fuels reduction statewide. This addresses a critical workforce development gap in wildfire suppression and response. The higher cost per acre for treatment is easily justified when the full range of social benefits are accounted for.
- The legislature should establish a permanent OCC trust fund or endowment, seeded by the state and grown through philanthropy, to ensure long-term stability. HECC should continue to encourage public-private matching to maximize every state dollar.
- Expand training and certification opportunities so participants leave with marketable skills for careers in firefighting, forestry, conservation, and emergency response.
- Strengthen youth pathways by funding summer OCC academies tied to high schools and community colleges, creating a “second-year crew leader” track for returning participants, and supporting career counseling and recruitment for students not pursuing four-year degrees.
- Designate OCC as a preferred partner for fuels projects, coordinating its crews with ODF, OSFM, and local fire districts to ensure safe, strategic, and efficient wildfire risk reduction.
- The OCC should seek and support opportunities to collaborate with other entities as appropriate.

4. Insurance Assessment—Keeping Coverage Within Reach

Introduction

Since the passage of SB 762 (2021), issues and opportunities related to insurance have been raised by Oregonians as a major topic of concern. While not originally within the purview of the Council, subsequent legislation, including SB 82 (2023) and SB 85 (2025), began to specifically address concerns at the intersection of wildfire risk and insurance. As such, this Council report describes the current insurance and wildfire situation to lay the groundwork for future discussions.

Ensuring that Oregonians have access to quality, affordable, property insurance in the face of escalating wildfire risk is both urgent and complex. As climate-driven disasters grow more frequent in the west, families and communities need reliable coverage to live, rebuild, and recover.

Ensuring that insurance coverage remains within reach of Oregonians requires the state to strike a balance. Oregon must foster a healthy insurance market that encourages competition and innovation, while also

maintaining regulatory guardrails to protect consumers from unnecessary cancellations, unaffordable premiums, unsustainable underwriting models, or opaque underwriting practices.

As the wildfire program evolves, Oregonians who take proactive measures to protect their homes and neighbors from wildfire should naturally have this reflected in reducing their property's wildfire risk. A successful and resilient system will account for mitigation, ensure transparency, preserve access, and maintain a healthy marketplace for insurers, especially in rural and other wildfire-prone areas.

To date, Oregon has been overall successful at striking this balance and creating an environment that is focused both on consumer-protection while fostering a robust insurance marketplace. Oregon's insurance and financial regulatory division, the DFR, oversees licensing and regulation of all insurance companies, agents, and adjusters; review and approval of insurance rates and policy forms; consumer complaint resolution; market conduct; financial examinations; and policy development. It also oversees underwriting, while state and industry partners have come together to explore how mitigation measures could be considered in underwriting to ensure greater access to affordable coverage.

Despite these proactive measures, Oregon's property insurance market has faced unprecedented disruption since the 2020 wildfires, with insured losses approaching \$3 billion to date. As a result of these catastrophic losses, insurance companies have reassessed underwriting in wildfire prone areas, which has resulted in reduced coverage availability, higher premiums, and increased uncertainty for consumers. These emerging trends mirror national developments and pose serious challenges to property owners and insurers, particularly in rural and other wildfire-prone areas.

SB 82 (2023) and SB 85 (2025), together with other related statutes discussed below, represent the Oregon Legislature's most recent response to the growing insurance crisis. Together, these key pieces of legislation have enhanced transparency and strengthened consumer protection.

However, more needs to be done to facilitate the success of these programs and to ensure broader access to affordable insurance coverage.

This section evaluates implementation of recent legislative efforts to date, identifies gaps impeding their success, and recommends targeted refinements to enhance equitable and affordable access to insurance across Oregon. Appendix C provides a primer on insurance, including a glossary of terms, an insurance 101 explaining the mechanics behind coverage and cost, how insurers use risk modeling to guide coverage decisions, Oregon's regulatory framework for insurance, and the insurance market.

Labor Day Fires & Oregon's Legislative Response

Oregon lawmakers have begun to act through targeted legislation aimed at protecting consumers, promoting resilience, and stabilizing the market. The following sections outline those efforts and identify key policy areas the legislature must address to ensure long-term success of these initiatives.

Following the devastating 2020 Labor Day wildfires, the Oregon Legislature responded with a series of targeted reforms aimed at strengthening consumer protections and promoting wildfire resilience across the state. These measures reflect a growing recognition that insurance access, affordability, and recovery support must evolve alongside escalating wildfire risk.

- **HB 3272 (2021)** ensures that homeowners affected by wildfire receive extended coverage for rebuilding costs and additional living expenses, guaranteeing at least two years of support, with the option to extend to three years in declared disaster zones.
- **HB 2982 (2023)** requires insurers to pay out at least 70% of contents coverage on total-loss wildfire claims during officially declared emergencies, streamlining recovery and reducing disputes over itemized inventories.

- **SB 82 (2023)** strengthens the Oregon FAIR Plan by increasing coverage limits. It also requires insurers to disclose additional information to policyholders who receive a premium increase or are nonrenewed due to wildfire risk, as well as information about whether and how actions property owners take may improve the property's insurability. The law also prohibits the use of the state wildfire hazard map in underwriting and rating decisions to clarify the map's intended use.¹⁶
- **HB 3940 (2025)** implements the "Fire 35" package, which allocates \$68 million toward landscape-scale resilience projects, community risk reduction efforts, and property-level mitigation programs such as home hardening and vegetation management.
- **SB 85 (2025)** directs state agencies and insurers to evaluate property- and community-level wildfire mitigation strategies (such as defensible space, home hardening, and IBHS certification) with a report due in 2026, while parallel efforts by DFR, DCBS, and OSFM aim to assess premium impacts, promote local adoption of resilience standards, and translate technical models into scalable public programs.
- **SB 829 (2025)** creates a study of the feasibility of a state property reinsurance program or similar ways to stabilize rates in the property insurance market.

Policy Progress with Caveats: Gaps, Costs, and Delays Threaten Oregon's Insurance Reform Efforts

Transparency Standards Provide Protection, But Gaps Remain For Agriculture and Commercial Lines:

DCBS continues to work with insurers on certification standards for wildfire mitigation, and consumer outreach efforts aim to clarify residential policyholder rights and rebuilding assistance. However, SB 82's protections, designed with residential policyholders in mind, do not extend to agricultural or commercial property owners, leaving open the opportunity to consider expanding or designing protections for these key sectors.

Enhanced Protections May Drive Premium Increases: While recent statutes improve policyholder security, they can also raise costs. For instance, HB 2982 contributed to premium increases to fund the mandated 70% contents payout—highlighting the need for public education on the trade-offs involved in expanding insurance mandates.

SB 85 Implementation Delayed by Timeline and Fire Season: Although SB 85 establishes a strong framework for evaluating wildfire mitigation, meaningful progress has been delayed due to the short reporting window and overlap with peak fire season. The Legislature will need to monitor implementation closely to ensure the initiative delivers actionable results.

Expanded Liability Could Undermine Market Stability: The proposed expansion of insurer liability under the Unlawful Trade Practices Act, as contemplated in SB 174 (2025), raised concerns from the insurance industry about Oregon's attractiveness as a market for property and casualty insurers. Insurers believed that if enacted, this measure would expose insurers to heightened legal risk for routine underwriting and claims decisions. According to insurance advocates, such regulatory uncertainty could discourage insurers from expanding or even maintaining market presence in Oregon, particularly in high-risk areas, leading to reduced competition, fewer coverage options, and upward pressure on premiums.

¹⁶ SB 83 (2025) repealed the state wildfire hazard map.

The High Cost of Inaccessibility: How Insurance Gaps Threaten Oregon's Economy, Equity, and Recovery

When homeowners and businesses can no longer secure insurance, the most immediate consequence is the loss of financial protection against fire. Without coverage, a single catastrophic event can wipe out personal savings and force property owners into debt or bankruptcy. Rebuilding or repairing damaged structures becomes a purely out-of-pocket endeavor, putting recovery, and in many cases basic housing security, beyond the reach of average Oregonians.

Lenders routinely require insurance as a condition of mortgage and commercial loans. If borrowers cannot obtain or maintain coverage, banks will decline to finance new purchases or renew existing mortgages, effectively freezing the real estate market and destabilizing the economy. Home sales will stall, property values will decline, and prospective buyers faced with an inability to secure financing will be shut out of homeownership altogether.

A downturn in property transactions also undermines local tax bases. Declining assessed values reduce property tax revenues, jeopardizing funding for schools, public safety, and infrastructure. Communities that already struggle with wildfire exposure, particularly in rural areas, will see their capacity to deliver essential services further erode just as disaster relief demands are rising.

For businesses large and small, the inability to insure against property and liability risks stifles investment and expansion. Small enterprises, with their limited capital buffers, are especially vulnerable: a single uninsured loss can shutter operations, eliminate jobs, and ripple through local supply chains.

At the state level, a growing population of uninsured losses shifts the burden of disaster recovery onto public funds. Emergency grants, low-interest loans, and other relief programs will need dramatic expansion, placing pressure on the state budget and potentially redirecting resources from long-term resilience efforts.

Historically underserved communities, particularly low-income, rural, and tribal populations, are disproportionately affected when insurance markets become less competitive. These communities often face higher wildfire exposure, limited access to mitigation resources, and fewer financial tools to absorb uninsured losses. Without affordable coverage, residents may be forced to abandon homes, delay rebuilding, or live in unsafe conditions.

The lack of insurance also compounds existing barriers to generational wealth-building, homeownership, and business development. When coverage becomes inaccessible, these communities are the first to lose financial protection and the last to recover—deepening cycles of economic vulnerability and geographic displacement. Ensuring a competitive insurance market is not just an economic imperative; it is a matter of equity and resilience.

In sum, without broad access to affordable insurance, Oregon risks a cycle of underinvestment, economic contraction, and fiscal strain. Property owners face personal financial ruin, real estate markets freeze, local governments lose revenues, businesses stall, and the state assumes greater liability for rebuilding in the wake of loss. Robust policy interventions are essential to avoid this cycle and ensure that insurance remains a cornerstone of community stability and economic growth.

Recommendations

To maintain long-term coverage availability, affordability, and resilience in wildfire-prone regions, Oregon must pursue a balanced policy approach—one that strengthens consumer protections while actively encouraging insurer participation to sustain a competitive and stable insurance marketplace.

Key Council recommendations for legislative solutions to expand access and sustain market stability include the following:

Advance Data-Driven Consumer Protections

- Ensure full execution of SB 85's framework for evaluating whether wildfire mitigation strategies, including defensible space, home hardening, and community-level resilience programs, should result in more affordable insurance coverage for consumers.
- Allocate resources to support adoption of mitigation standards through financial assistance, technical support, and public education.
- The legislature should encourage the insurance industry to recognize investment made by property owners by aligning their mitigation efforts with underwriting incentives, premium considerations, and risk-scoring models.
- The legislature should encourage the insurance industry to promote transparency in how mitigation data is collected, evaluated, and used to inform coverage decisions—ensuring that consumers understand the benefits and trade-offs.
- Maintain legislative oversight to ensure SB 85 delivers actionable findings and scalable solutions within a realistic timeline.

Expand Consumer Protections Across Property Types

- Consider creating statutory safeguards similar to, as appropriate, those extended to residential property insurance in SB 82 (2023) for agricultural, industrial, and commercial property risks, which currently fall outside key transparency and mitigation provisions. This effort would require a large investment for DFR to gain the staffing and expertise to expand protections to commercial and other areas besides personal lines homeowners.
- Improve data collection and analysis to monitor urban-rural disparities, track rural insurance trends, and identify emerging gaps in coverage.

Preserve Market Competitiveness and Encourage Innovation

- Explore policy options that encourage innovation and insurer flexibility.
- Support the use of diverse modeling tools and datasets that reflect geographic, structural, and mitigation variability—enabling more accurate risk assessment and competitive pricing.
- Engage with industry and consumers to avoid proposals that expose carriers to excessive legal risk for routine underwriting and claims decisions—ensuring continued participation in high-risk areas.
- Engage with industry to protect proprietary modeling systems to maintain innovation and ensure a diverse, data-rich insurance landscape. Safeguarding these tools is essential not only for fostering competition and accuracy, but also for upholding the property rights of insurers whose intellectual capital drives market functionality and consumer choice.
- Foster a regulatory environment that streamlines compliance, supports innovation, maintains predictable regulatory oversight, and encourages greater insurer investment through economic prosperity.

Invest in Public Education and Technical Assistance

- Allocate resources to help consumers understand their rights, coverage options, and available mitigation support.
- Prioritize outreach to rural, tribal, low-income, and other historically underserved communities to ensure equitable access to insurance and resilience programs.

Encourage Collaborative, Flexible Policy Development

- Promote collaboration between consumers, insurers, regulators, policymakers, and related industries.
- Avoid approaches that risk unintended consequences and market disruption.

5. Other Wildfire Programs

The following section provides information and recommendations for other wildfire program areas that were discussed by the Council, including smoke management and public health and utilities.

Smoke Management and Public Health

Oregon has championed efforts to protect public health from smoke through investments and programs of SB 762 (2021), SB 1536 (2022), and SB 1530 (2024). These and other bills led to increased air quality monitoring and communications capabilities, community planning to prepare for and respond to wildfire smoke, increased capacity to provide emergency sheltering in public spaces, and resources to help individuals and families safely shelter at home during smoke and extreme temperature events. Agencies engaged in this work include Oregon Department of Environmental Quality (DEQ), Oregon Health Authority (OHA), and Oregon Department of Human Services (ODHS) Office of Resilience and Emergency Management (OREM).

Some of these were one-time investments, such as funds to support emergency sheltering capabilities. However, air quality impacts from wildfire smoke are increasingly frequent and severe as reported by Oregon DEQ in the recent *Wildfire Smoke Trends and the Air Quality Index* report.¹⁷ Additionally, as fuel reduction projects are undertaken, there is a need to keep communities informed of prescribed fire activities and the smoke impacts that may result. There is an ongoing need for resources to protect public health from smoke impacts.

DEQ works in collaboration with ODF and OHA on Oregon's Smoke Management Program (OSMP) for prescribed burning, monitors air quality during wildfires, issues advisories during smoke events, and runs pilot projects for community air monitoring and community air action planning. Recent DEQ pilot projects placed permanent or temporary PM2.5 monitors in communities to inform response and mitigation. DEQ also provided air filtration to Tribal Public Health for disbursement to community members under SB 762. DEQ should prioritize providing Smoke Sensitive Receptor Areas (SSRA), defined in Oregon Administrative Rule 629-048-0005(26), with technical assistance to complete Community Response Plans (CRP) for Prescribed Fire Smoke even when funding challenges limit grant funds available to those communities. DEQ should also seek to continue to partner with other state agencies already doing smoke monitoring work to ensure the efforts are not duplicative. There are over 30 SSRAs identified in the OSMP; however, only eight of those communities have completed a CRP. The Council sees development of a CRP as a great benefit to communities when they experience smoke infiltration.

¹⁷ <https://www.oregon.gov/deq/wildfires/Documents/wf2024wfTrendsRep.pdf>

State, regional, and local public health agencies and organizations work collaboratively to provide education and resources to address the health impacts of smoke. Increasing regionwide coordination is necessary to address the intersection of public health challenges from smoke and the need to increase landscape resiliency through treatments that produce smoke, such as prescribed fire and beneficial fire use.

ODHS provides critical services related to people impacted by wildfire, both on the front end with mass care evacuation support and then after the fire with recovery efforts. ODHS has the responsibility to support communities through cleaner air centers, beginning with the passage of SB 762 (2021) and implementation of Oregon Revised Statute (ORS 431A.410 and .412). SB 1530 (2024) provided a \$2 million appropriation to OREM for the 2023-2025 biennium. However, ODHS did not receive funding for the 2025-2027 biennium, yet its statutory responsibility to support warming, cooling, and cleaner air centers remains separate from grant funding for local implementation.

Additionally, as part of its emergency management and mass care responsibilities, ODHS, more specifically OREM, has adopted a statewide evacuation planning and management software tool known as Genasys. It is made available at no cost under the contract with ODHS to all 36 Oregon counties plus the nine tribes. The software is intended to support several phases of evacuation planning and execution. It is designed to help emergency managers more quickly update or export evacuation zones for issuing alerts. The new tool reduces the time previously needed for those tasks. Access to the platform has facilitated public notification times being reduced from 60-90 minutes to sometimes as little as 4-6 minutes, providing extra time and information to help people get out of the way of harm. It was used during the Rail Ridge Fire in Grant, Crook, and Wheeler counties as an example of applying the tool in an active wildfire evacuation context. The Oregon Department of Emergency Management (OEM) funded the costs for the first payment of the Genasys system, but ODHS is still exploring funding for July 2026 and onward. The platform integrates with current state systems like Or-Alert (Everbridge) and OEM's RAPTOR. Additionally, OREM has seen successes in counties assisting other counties in times of crises in a remote fashion in minutes rather than having to travel to the locale in crisis.

Recommendations

- The legislature should renew funding to DEQ for wildfire and prescribed fire smoke mitigation work, including:
 - Funds to support and build on the critical functions necessary to support communities with developing Community Response Plans (CRP) and to deploy additional air quality sensors to fill in the gaps in Oregon's ambient monitoring network.
 - Restore grant funds so DEQ can provide local governments and entities seeking engagement in Community Smoke Response Planning the resources to further develop and implement these plans.
- DEQ should prioritize funding for Community Smoke Response Plans (CRP). There is a strong demand from communities that would like to work with DEQ and other agencies to develop a CRP, but funding remains a barrier for many communities. Sensitive populations need to know how to respond to smoke and what resources are available, and development and implementation of a CRP builds communication channels needed to provide that information.
- DEQ should partner with other agencies and institutions to utilize existing smoke monitoring data.
- The legislature should provide sustainable, sufficient funding for public health agencies and organizations to provide education and resources that can address the health impacts of smoke, including support for regionwide coordination.
- The legislature should continue to provide sustainable funding for local health departments through the Public Health Modernization funding source.

- The ODF Smoke Fund used to pay for smoke monitoring and to support prescribed burning across the state will end the year in a deficit for the first time. Staff costs have outpaced revenues collected from the program. The legislature should consider using mitigation funds to backfill budget gaps in the program to keep the Smoke Fund viable, rather than increases to current fees.
- Efforts to increase housing resilience to fire should also consider how buildings can be better equipped to maintain clean indoor air during wildfire smoke episodes. The Council recognizes that making the necessary improvements to housing and buildings to reduce permeability to smoke and improve ventilation (in addition to increasing likelihood of withstanding wildfire) will require significant investment over the long term. This may also include examining policies and practices in congregate settings such as schools and long-term care facilities.
- Local mitigation measures should include the following to address the public health concerns of wildfire smoke that often occur independently of wildfire risk to communities:
 - Renew funding for programs that provide residents access to free or low-cost air purifiers.
 - Encourage the inclusion of smoke mitigation in Community Wildfire Protection Plans and Natural Hazards Mitigation Plans so that local stakeholders are working collaboratively to manage and respond to the unhealthy smoke exposures during wildfires, as well as shorter-duration smoke that may be present during prescribed fires.

Utilities

As Oregon addresses wildfire risk and the resulting insurance challenges, the state must also address wildfire risks in the utility sector, which can destabilize the financial health of electric utilities large or small. Major wildfire liability challenges utilities face is the ability to borrow money or raise capital for needed system investments, which in turn impact both electrical reliability and economic development in Oregon. Growing threats can also result in credit downgrades for the real or perceived economic or regulatory risk that in turn increase the cost of borrowing, resulting in higher costs for utility customers. The threat of catastrophic wildfires has also greatly impacted the availability and willingness of many insurers to provide wildfire insurance to utilities, and the cost of coverage continues to dramatically increase, driving increasing costs for utility customers.

APPENDIX A: Wildfire Programs Advisory Council Roster for 2025

Chairperson, Dave Hunnicutt (Hillsboro)

Member who represents rural residential property owners whose property is wholly or partially within the wildland-urban interface

Vice Chairperson, Mary Kyle McCurdy (Portland)

Member who represents state or regional land use planning organizations

Branden Pursinger (Association of Oregon Counties)

Member representing County Government

Ty Darby (McMinnville)

Member who represents fire marshals with wildland-urban interface firefighting experience

Joshua Shaklee (Douglas County)

Member who is a land use planning director for a wildland-urban interface county

Jim McCauley (League of Oregon Cities)

Member representing City Government

Vacant

Member who is a land use planning director for a wildland-urban interface city

Nick Browne (Clackamas)

Member who represents fire chiefs with wildland-urban interface firefighting experience

Pat Skrip (Roseburg)

Member who represents firefighters with wildland-urban interface firefighting experience

Samantha Bayer (Eagle Point)

Member who represents farmers whose land is wholly or partially within the wildland-urban interface

John O'Keeffe (Adel)

Member who represents ranchers whose land is wholly or partially within the wildland-urban interface

Chad Washington (Salem)

Member who represents forestland owners whose property is wholly or partially within the wildland-urban interface

Gary Jackson (Cow Creek Band of Umpqua Tribe of Indians)

Member who represents federally recognized Indian tribes with land wholly or partially within the wildland-urban interface

Bill Messner (Portland)

Member who represents a utility company

Susan Jane Brown (John Day)

Member who represents environmental interests

Terry Fairbanks (Jacksonville)

Member who represents forest resiliency interests

Garrett West (Medford)

Member who represents land and housing development interests or real estate industry interests

Sarah Worthington (Bend)

Member who represents public health professionals

Ilene Vargas (Medford)

Member who represents the environmental justice community

SB 83 (2025) added two new positions to the Council: one member who represents the structural fire service and who has experience with managing, fighting, or preventing wildfire within the WUI; and one member who represents the insurance industry.

APPENDIX B: Wildfire Programs

Background and Policy Context

Background

The Governor's first Council on Wildfire Response, formed in 2019, reviewed Oregon's existing model for wildfire preparation and response, and provided recommendations on how to address these risks. That council provided 37 recommendations and suggested a comprehensive approach aligned with the three goals of the National Cohesive Wildland Fire Strategy:

1. Create fire-adapted communities by modernizing emergency response, health systems, electric utilities, and land use, in order to improve structural resiliency, enhance defensible space, ensure access and egress, and reduce human-caused ignitions; with an emphasis on serving socially and economically vulnerable populations.
2. Restore and maintain resilient landscapes by investing in active management of forests and rangelands through prioritized treatments in areas of highest risk.
3. Respond safely and effectively to wildfire by modernizing fire response capacity and expanding protection services.

These recommendations preceded the catastrophic 2020 wildfire season in Oregon, which saw over 1.2 million acres and 5,000 structures burned, and nine lives lost. SB 762 passed in the 2021 legislative session and set an unprecedented path for action on many of these recommendations. It invested \$195 million in 11 state agencies to implement programs intended to transform how Oregon lives with wildfire, also aligning with the three goals of the Cohesive Strategy. This represented a collective, all-hands-on-deck approach to assessing wildfire risk and prioritizing multiple actions to reduce that risk to communities and landscapes.

In the 2023 legislative session, new bills further built on the efforts of SB 762 by requiring changes to hazard mapping and directing insurance companies to not use the map in coverage decisions (Senate Bills 80 and 82). Legislation also created a prescribed fire liability pilot program and prescribed fire claims fund (HB 2985, SB 80). In 2024, the legislature included a budget note directing OSFM and ODF "to work in partnership to convene a workgroup to identify options for sustainably funding wildfire mitigation, suppression and mobilizations, land classification, and managing the intersection between forest land protection districts and structural fire protection districts."

In 2024, Oregon also experienced another historic and catastrophic wildfire season. The largest number of acres in a single season, over 1.9 million, was burned. There were 17 conflagration declarations, which is an unprecedented record. Over 17,000 structures were threatened, and 42 primary residences and 132 additional structures were lost across 19 different significant fire events. Approximately \$350 million was spent on fire response, compared to past fire seasons of \$160 million on average. The pilot of a single engine air tanker was also killed. Much of this impact occurred in eastern Oregon, with large fires and complexes including Cow Valley, Durkee, Falls, Telephone, Battle Mountain, Rail Ridge, and Crazy Creek. Numerous other fires came in close proximity to communities from Fossil to Tygh Valley to Sunriver. However, strong response efforts kept the state from witnessing urban conflagration to the extent experienced in 2020. Although western and southwestern Oregon did not have as many fire events, several fires such as the Lee Falls, Dixon, and Milepost 98 Fires did occur with direct threats to communities and energy infrastructure. These events necessitated collaboration with utilities and were complex to manage, particularly given the values at risk and how thinly spread suppression resources were at many points in the season.

In 2025, there were 220 fires that burned 320,000 acres across the state. There were eight conflagration declarations. While the overall acreage burned was smaller than in 2024, there were significant community impacts, including the loss of 56 homes and 91 other structures in the Rowena Fire in the Columbia River Gorge, which burned approximately 3,700 acres. The Flat Fire in central Oregon was the most significant of the 2025 fire season in terms of demonstrating the importance of proactive mitigation and safe and effective wildfire response. The Sisters community and surrounding areas were well prepared with defensible space and Firewise™ communities coupled with landscape scale fuels reduction, including a project funded by a SB 762 Landscape Resiliency Program grant. The fire involved coordinated response of four local fire districts, ODF, OSFM, federal agencies, rural fire protection districts, and counties, with unified and integrated incident command and structural and wildland firefighters working side by side to protect homes and suppress an intense wildfire. In two days, the fire made a 12-mile run under driven wind conditions, burning 2,300 acres with five residences lost and 824 residences saved. At the peak of the fire, 4,000 residences were under evacuation orders with 1,000 people at Level 3 Go Now. The all-hands approach resulted in an incredible response, reducing potential catastrophic impact to the city of Sisters and surrounding areas. Southern Oregon also experienced fires late in the season including the Moon Complex in Curry County.

Updated Policy Context

Over the last year, some programs and investments initiated by SB 762 have continued, while others were completed and not funded after the 2021-2023 biennium. In addition, new wildfire-related laws passed in the Oregon legislature in 2023, 2024, and 2025 went into effect.

Senate Bills 80 and 82 (2023)

SB 80 Enrolled provided several updates to many of the requirements set forth in SB 762, including updating the state wildfire risk map to “hazard” from “risk;” defining the purposes of the map; and changing hazard zones to three zones: low, moderate, and high, from a former five risk classes (none, low, moderate, high, and extreme). Property owner notice and appeal processes were revised and requirements for a robust community engagement process were added. An updated draft map was released in July 2024 for public comment, the final map was released in January 2025, and ODF established the March 10, 2025, deadline for appeals. SB 83, revoking the map and its use for mandatory defensible space and home hardening programs, was passed in 2025 along with other policy changes, further discussed below.

In addition, SB 80:

- Established the Landscape Resiliency Fund (Section 4) and the Community Risk Reduction Fund (Section 5).
- Made clarifications related to cleaner air spaces (Sections 6 and 7), including additional entities identified as grant recipients and state agency support for cleaner air spaces.
- Establishes the Prescribed Fire Liability Pilot Program and the Prescribed Fire Claims Fund (Section 14).
- Made appropriations for the above funds (Sections 19-26).
- Effective date was July 1, 2023.

SB 82 Enrolled prohibits insurers from using the statewide map of wildfire hazards in coverage decisions. It requires insurers to provide information about their rating and underwriting decisions related to wildfire hazards through disclosure requirements to customers. The bill allows consumers to see how wildfire risk reduction efforts, such as establishing defensible space, hardening homes, and participation in wildfire community preparedness programs, may influence their insurance rating and the availability of insurance. It also provides flexibility to extend rebuilding and content replacement deadlines.

2024 Legislative Session

In the 2024 short session, the legislature tasked ODF and OSFM with convening a workgroup to identify solutions for sustainable wildfire mitigation and response funding through a budget note. A workgroup comprising 35 members from diverse interests was formed and met in June 2024. The “Fire 35” funding workgroup is further discussed in Section 2, below.

Another development was House Bill 4016 (2024), which extended the DCBS BCD’s home hardening grant program for wildfire survivors and expanded it to include wildfire losses that occurred in the 2024 fire season. It also required BCD and OSFM to write a report to the legislature on what a proactive home hardening grant program would look like by September 15, 2024.

2025 Legislative Session

The 2025 legislature passed House Bill 3940 (HB 3940) to address wildfire funding in response to the recommendations of the Fire 35 workgroup. Coupled with one-time funding in House Bill 5006 (HB 5006) and funding provided within agency budget bills, the legislature allocated a total of \$271 million for the biennium for wildfire funding.

State-level policy changes were also made by the legislature in 2025, including SB 83 and SB 85, addressing community risk reduction and the insurance crisis, respectively. SB 83 (2025) repealed the state wildfire hazard map and the associated state level regulatory requirements for defensible space and use of wildfire resilient building materials standards that would have applied to new construction of one- and two-family dwellings within high wildfire hazard areas of the state. The 2025 legislature instead established significant alternative wildfire mitigation programs accompanied by permanent funding. SB 83 also redefined the meaning of the WUI and repealed the state statute that had directed ODF to develop the definition used to identify the WUI on the state wildfire hazard map. Local jurisdictions now can identify and map the WUI in their local area to better reflect local conditions and understanding, often addressed in a Community Wildfire Protection Plan (CWPP). Communities have access to the Oregon CWPP Planning Tool¹⁸, which is designed to inform updates to CWPPs and Natural Hazard Mitigation Plans (NHMP), with extensive data resources and a wildfire risk report. The CWPP Planning Tool also includes the Social Vulnerability Index layer, which communities and state agencies can use to inform decision-making.

SB 85 (2025), together with SB 82 (2023) and other related statutes, address the state’s growing insurance crisis, including affordability and access. Together, these key pieces of legislation have enhanced transparency and strengthened consumer protection.

¹⁸ <https://oregon-explorer.apps.geocortex.com/webviewer/?app=fccd4dfc5a974213aa1fa6a01b9c07e1>

APPENDIX C: Insurance Primer

Glossary of Wildfire-Related Insurance Terms

Actuarial Modeling: The use of statistical techniques and historical wildfire data to estimate the frequency and severity of future losses. Actuarial models inform premium setting, reserve requirements, and risk classification, and are foundational to insurer solvency and rate adequacy.

Admitted Carrier: An insurance company licensed by the State of Oregon to sell coverage and subject to full regulatory oversight. Admitted carriers must file rates and policy forms with the DFR and comply with consumer protection laws, including claims handling standards and non-renewal restrictions.

Catastrophe Modeling (Cat Modeling): A specialized form of predictive modeling that simulates large-scale wildfire events to estimate potential financial losses across portfolios. Cat models incorporate hazard intensity (e.g., wind, ember travel), engineering data (e.g., building materials), and exposure metrics (e.g., replacement cost) to guide underwriting, pricing, and reinsurance decisions.

Coverage Availability: The degree to which insurers are willing to offer property insurance in wildfire-prone areas. Availability is influenced by risk, regulatory constraints, reinsurance costs, and the insurer's internal risk appetite. Limited availability can lead to market withdrawals, higher premiums, or reliance on the FAIR Plan.

Defensible Space: A wildfire mitigation strategy involving the removal or reduction of vegetation, debris, and combustible materials around a structure. Creating defensible space improves a property's survivability during a wildfire.

Division of Financial Regulation (DFR): The regulatory arm of the Oregon Department of Consumer and Business Services responsible for overseeing insurance market conduct, rate filings, policy forms, and consumer complaints. DFR plays a key role in implementing wildfire-related reforms and monitoring insurer compliance.

FAIR Plan (Fair Access to Insurance Requirements): Oregon's insurer of last resort for property owners who cannot obtain coverage in the standard market due to wildfire risk or other factors. The FAIR Plan offers basic coverage and is underwritten and subsidized by participating insurers. It does not provide comprehensive protection and is not intended as a long-term insurance coverage solution.

Home Hardening: The process of upgrading a structure to reduce its vulnerability to wildfire. Common measures include installing fire-resistant roofing, ember-resistant vents, ignition-resistant siding, and non-combustible fencing.

Insurance Institute for Business & Home Safety (IBHS): A nonprofit research organization that develops science-based standards for building resilience against natural disasters, including wildfire. IBHS findings inform insurer certification programs, public education campaigns, and legislative initiatives related to mitigation and risk reduction.

Non-Admitted Carrier: An insurer not licensed by the State of Oregon but allowed to sell coverage through the surplus lines market. These carriers are exempt from rate and form filing requirements and offer flexibility in underwriting high-risk properties. However, they are not subject to the same consumer protection requirements as admitted carriers.

Non-Renewal: An insurer's decision not to continue coverage at the end of a policy term. Non-renewals may result from increased wildfire risk, changes in underwriting criteria, non-payment, or portfolio rebalancing. Oregon law requires advance notice and, if related to wildfire risk, additional information for policyholders regarding non-renewal decisions.

Premium: The amount charged for transferring risks from a property owner to an insurer for coverage. Premiums are calculated based on wildfire risk, property characteristics, mitigation efforts, location, claim history, and other underwriting factors. Premium increases may reflect rising construction (materials and labor) costs, the cost of reinsurance, regulatory mandates, or changes in risk modeling.

Reinsurance: Insurance purchased by insurers to protect against large or unexpected losses, such as those caused by catastrophic wildfires. Reinsurance allows carriers to transfer a portion of their risk to another entity, stabilizing their financial exposure and enabling continued coverage in high-risk areas.

Risk Pooling: The practice of spreading risk across a broad group of similarly situated policyholders (shaped by actuarial data). Pooling helps insurers manage volatility, maintain solvency, and keep premiums affordable. It is a core principle of insurance and is especially important in regions with concentrated wildfire exposure.

State Wildfire Hazard Map: A map developed by Oregon agencies to identify areas of elevated wildfire hazard. Under SB 82 (2023), insurers are prohibited from using this map in underwriting or ratemaking decisions, as it reflects hazard alone— not comprehensive risk — and lacks the granularity needed for actuarial analysis. SB 83 (2025) repealed the state wildfire hazard map.

Surplus Lines: Insurance coverage provided by non-admitted carriers for properties that are unique or present unique risks that do not fit within the standard market. Surplus lines offer flexibility in underwriting and pricing but are not subject to Oregon’s rate approval or consumer protection requirements. They are sometimes used for homes in high wildfire risk areas. Other examples of surplus lines policies include coverage for sports facilities, vacant buildings, cannabis businesses, and other risks that do not neatly fit into an admitted market peril or policy.

Underwriting: The process by which insurers evaluate the risk of offering an insurance product to a consumer, and at what rate. Underwriting incorporates property features (e.g., construction type, location), mitigation efforts (e.g., defensible space, home hardening), and proprietary risk models to guide decision-making.

Insurance 101: Understanding the Mechanics Behind Coverage and Cost

In Oregon, property and casualty insurers are increasingly focused on how wildfire exposure and mitigation efforts affect availability, affordability, and terms of coverage. To evaluate the state’s insurance market effectively, the legislature must first understand the basic mechanics of the insurance industry and the rationale behind insurers’ decisions in response to evolving risk.

Consumer engagement on wildfire risk is deeply intertwined with homeownership and the mortgage market. Consumers own property, and in order to protect their investment and/or because it is required of a lender as a condition of a loan, property owners look to shift their risks to insurers. Insurers, in turn, charge a premium backed by actuarial science to underwrite the given risk.

Fundamentally, insurance relies on risk prediction through actuarial and catastrophe modeling, pooling exposures across diversified portfolios, and setting premiums that cover projected losses, expenses, and margins. In simple terms, insurance companies use past data and scientific models to estimate how often disasters will happen and how damaging they will be. They then collect small payments from many customers experiencing similar risk into one fund, so there is enough money to pay claims, cover costs, and keep a cushion for unexpected events. Risk-pooling and premiums are done on a state-by-state basis; insurers cannot “import” losses they suffer in one state and increase premiums for policyholders in another state.

Making this equation work becomes more difficult in a time when there are more frequent catastrophic wildfires, and a state where there are higher replacement costs, significant operating expenses, and increased liability for insurance companies. As a result, insurance companies that operate in Oregon sometimes either raise rates across their customer base or reduce risk exposure by writing fewer policies or nonrenewing existing policies—or both—in high-hazard areas to avoid unsustainable losses. Legislation (SB 82 (2023)) created a framework for insurers to recognize risk reduction investments being made when they have the data to do so.

To manage the financial risk associated with unexpected catastrophic events, such as large-scale wildfires, insurers must purchase “reinsurance.” This allows them to transfer a portion of their potential losses to another insurance entity, thereby capping their exposure and preserving solvency in the event of high-severity claims. Reinsurance plays a critical role in stabilizing the market and enabling insurers to continue offering coverage in high-hazard areas.

How Insurers Use Wildfire Risk Modeling to Guide Coverage Decisions

Insurers make underwriting decisions based on proprietary data and risk models, which incorporate extensive data analysis, historical loss patterns, and predictive modeling. These models, which they either develop internally or purchase through a third-party vendor, are not publicly disclosed, as they form part of each insurer’s competitive strategy. Through underwriting, insurers determine which risks to accept, how to price coverage, and what terms to offer.

Wildfire risk modeling draws on a range of analytical tools, including climate models, landscape fire simulations, mitigation scoring systems, and catastrophe models. Two types of models are especially central to insurance underwriting: risk-scoring models that assess structure-level vulnerability, and catastrophe models that simulate large-scale fire events and estimate potential losses.

Risk scores typically incorporate base factors like vegetation, slope, and road access, along with dynamic inputs such as defensible space, home hardening, and participation in community mitigation programs. These scores help insurers evaluate exposure and set rates. Some states, like Oregon, permit insurers to consider such scores in underwriting, while others, like Colorado, require explicit consideration of mitigation efforts.

Catastrophe models are particularly valuable in areas with limited historical data or evolving risk landscapes. They simulate fire behavior, structural damage, and financial losses using variables such as wind speed, fuel density, construction type, and mitigation measures. These models often rely on millions of simulated fire events and are validated against real-world outcomes.

It is also important to distinguish between hazard and risk. Oregon’s state wildfire hazard maps reflected geographic hazard alone and did not account for structural vulnerability, mitigation, or exposure. As a result, they were not suitable for underwriting or ratemaking decisions. Relying solely on these maps could misrepresent actual risk and distort the insurance market. Insurers instead use more detailed private-sector models to assess wildfire exposure and guide coverage decisions, and have been doing so for decades.

Oregon's Regulatory Framework Ensures Fair Fire Coverage and Market Stability

Despite the proprietary nature of underwriting, insurance is regulated at the state level to ensure fairness, transparency, and consumer protection. In Oregon, the DFR is responsible for reviewing and approving all insurance rates and policy forms. DFR does not control the internal risk models used by insurers, but it ensures that the resulting rates are not excessive, inadequate, or unfairly discriminatory. This regulatory oversight is essential to maintaining a stable and accessible insurance market for Oregon property owners.

Oregon also requires that all property insurers issue fire coverage under the New York Standard Fire Policy (NYSFP), which is a cornerstone of market stability and equitable access to insurance. By treating wildfire, structural fire, and accidental fire as a single covered peril, the law ensures that all fire-related losses are combined into one risk pool. This unified structure spreads the cost of fire risk broadly across all policyholders, allowing premiums to remain within reach for property owners in higher-hazard rural and wildfire-prone areas, who might otherwise face unaffordable rates or complete loss of coverage.

If wildfire were separated from other types of fire coverage, some property owners in rural and other wildfire-prone areas could be placed in a much smaller, higher-risk pool, driving premiums sharply upward or making coverage unavailable altogether. Maintaining the current NYSFP framework preserves a balanced, statewide sharing of risk, supports the economic viability of rural communities, and prevents the creation of a two-tiered insurance system that could leave many Oregonians unprotected.

Oregon law requires insurers to manage their wildfire risk within state boundaries, meaning they cannot offset losses from other states (such as California) by raising premiums or using revenue from Oregon policyholders. Each insurer must demonstrate financial stability and rate adequacy based on its Oregon-specific exposure and claims history. However, national insurance companies operating across multiple states can assess their overall financial health holistically, drawing on diversified portfolios and reinsurance strategies that span regions. This broader financial footing may influence their willingness to remain in higher wildfire risk markets like Oregon, but state regulators ensure that local solvency and pricing reflect Oregon's unique risk profile.

From both a market and financial perspective, DFR also has to ensure that no single insurance carrier takes on too much risk in a given area. As an example, if one carrier writes all of the homeowners policies in Bend, then the market would be at risk and DFR would have to work with the carrier to offset the risk by also having other carriers provide coverage in that area. This type of situation played out with Merced Property and Casualty Company, which wrote many policies in Paradise, California and the surrounding area and was pushed into insolvency after a wildfire event. If this type of situation occurs, consumers may not be made whole, as property guaranty associations have strict caps on payments when a carrier is insolvent or in liquidation.

Oregon's Insurance Market Remains Competitive, But Warning Signs Are Emerging

Over the past decade, Oregonians have seen significant shifts in both the availability and affordability of property insurance. A major driver of these changes is the scale of wildfire-related losses in the 2020s, which are now approaching \$3 billion statewide.

Despite heightened public concern over wildfire risk and rising premiums, Oregon's insurance market remains strong and well-diversified compared to nearby states. Oregon's admitted market includes more than 100 licensed homeowners insurers and over 200 licensed auto carriers, serving approximately 1.6 million policyholders statewide. Based on the data currently available, average annual homeowners

premiums in Oregon are \$886, which is substantially lower than California's \$1,435 and Washington's \$1,513. Despite being relatively competitive, underlying indicators point to increasing market volatility. For example, standard homeowners policy enrollments grew by 10 percent in 2018 and the Oregon FAIR Plan policy counts have stayed relatively steady, although most of its new business is due to wildfire exposure. Between 2018 and 2023, non-renewals rose 11 percent, with a significant acceleration from 2022 through 2024. Reinsurance capacity is also strained, as insurers paid out \$1.12 in claims for every dollar collected in 2023, jeopardizing underwriting capacity and market participation.

Table 3. Oregon FAIR Plan Association Yearly Policy Counts by Type of Policy

| | Home | Farm | Commercial | Total |
|-------------|-------|------|------------|--------------|
| 2014 | 1,934 | 22 | 50 | 2,006 |
| 2015 | 1,852 | 20 | 55 | 1,927 |
| 2016 | 1,795 | 19 | 52 | 1,866 |
| 2017 | 1,682 | 15 | 48 | 1,745 |
| | | | | |
| 2018 | 1,583 | 11 | 47 | 1,641 |
| 2019 | 1,428 | 16 | 40 | 1,484 |
| 2020 | 1,395 | 18 | 34 | 1,447 |
| 2021 | 1,360 | 22 | 43 | 1,425 |
| 2022 | 1,428 | 31 | 66 | 1,535 |
| 2023 | 1,580 | 33 | 85 | 1,698 |

While Oregon's insurance system remains comparatively strong, steady FAIR Plan enrollment, and increases in non-renewals and cancellations signal a market under growing stress. However, the total number of policies issued under the FAIR Plan is still negligible when compared to the households in Oregon, which has a population of approximately 4.3 million people.

Insurance companies have expressed concern that Oregon may be adopting regulatory trends seen in other states that could make those markets less competitive and less attractive for insurers to operate in. In California, for example, heavy regulatory constraints, limited collaboration between regulators and insurers, and the long-standing effects of Proposition 103, which prohibits the use of advanced risk modeling in rate-setting, have reduced competition and accelerated insurer withdrawals from high-risk areas.

By contrast, Florida, which was once destabilized by litigation-driven losses, has enacted targeted liability reforms that have improved market stability. Insurance advocates perceive these changes as creating a more competitive environment for insurers than currently exists in Oregon, particularly with respect to rating flexibility and the ability to offer risk-based coverage.



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