

NEWS RELEASE

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Oregon Division of Financial Regulation: Insurance companies not using state wildfire risk map

Salem – Insurance companies in Oregon did not use, and currently have no plans to use, the state wildfire risk map in their decision-making, according to data released today by the Oregon Division of Financial Regulation.

During informal discussions before the state wildfire risk map was released, insurers told the division they were not planning on using the map. Once concerns were raised during public listening sessions on the new map, the division put out a formal data call to all relevant insurers doing business in Oregon to confirm they were not using or planning to use the state wildfire risk map for underwriting or rating decisions. A data call is a formal inquiry that insurers are required by law to answer truthfully.

Underwriting is the process an insurance company uses to determine the risk of offering or renewing an insurance product to a consumer. Rating is the process to determine the amount of premium to be paid to insure a risk such as a home.

The data call asked the following:

- Does the company use the state wildfire map for rating or underwriting?
- Does the company use the state wildfire map for any other purposes?
- Does the company plan to use the state wildfire map for any purpose in the future?

All of the insurers responded that they do not use the map for rating and underwriting and have no plans to use it for rating and underwriting. In addition, the division has not received any new proposed rate filings that include the state wildfire map as a rating factor. The division does not set rates or determine what rates should be; however, all rates used by insurance companies in Oregon must be filed with the division for review. The filing must include the methodology used to develop rates and the proposed rates must be actuarially justified, adequate, not excessive, and nondiscriminatory.

“This confirms what we knew: Insurance companies are not using the state wildfire risk map,” said Oregon Insurance Commissioner Andrew Stolfi. “Insurance companies have been using their own risk maps and other robust risk management tools to assess wildfire risk for years in making rating and underwriting decisions. We believe there has been confusion between decisions based on insurers’ continued use of their own tools, including their own risk maps, and the discussions on the new state wildfire risk map. We encourage insurers and agents to be careful in how they describe underwriting and rating decisions.

“We are here to protect consumers from any misinformation and welcome any documentation consumers have from insurance companies identifying that the map was used to influence underwriting

or rating decisions. We also encourage homeowners to contact our consumer advocates with questions or concerns about changes to their policy.”

Consumers can contact the Division of Financial Regulation’s consumer advocacy hotline at 888-877-4894 (toll-free). Consumers can also file a complaint online at dfr.oregon.gov.

Also this week, the division issued a [homeowners insurance guide](#) to help people better understand how insurance companies determine whether to offer and renew insurance policies and set their rates. The division also issued a [bulletin](#) informing insurance agents that no insurers are using the state map for underwriting or rating decisions and reminding them that it is a violation of the Oregon Insurance Code to share false or misleading information.

“The unfortunate reality is that wildfire risk has increased in Oregon, especially over the past few years, and companies are responding to that,” Stolfi said. “One option for people who are canceled or nonrenewed is to work with an insurance agent, who can help you find a policy that fits your needs. There are nearly 150 companies offering homeowners insurance in Oregon, so we encourage those affected by wildfire risk to search across several different companies and to contact our consumer advocates if they need help.”

For more information on wildfires and insurance, go to <https://dfr.oregon.gov/insure/home/storm/Pages/wildfires.aspx>.

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