

**EMERGENCY FIRE COST COMMITTEE  
SPECIAL MEETING**

**April 5, 2022  
2:30 – 3:30 p.m.**

**Zoom:** <https://odf.zoom.us/j/95385562463>

**Committee Members:** Brennan Garrelts, Chair  
Steve Cafferata  
Chris Johnson  
Erik Lease

**Administrator:** Nancy Hirsch

## Agenda Topics

1. Call to Order
2. Insurance Policy for 2022 Fire Season [*Decision Item*]
3. Public Comment/Good of the Order

# State of Oregon - Fire Fighting Expense

WTW

## PREMIUM OVERVIEW

4/15/2022-4/15/2023

03/31/2022

Commission to London: 10%

### BOUND

	Expiring 2021-2022 Lloyds Lead	Renewal 2022-2023 Lloyds Lead
<b>Limit of Insurance</b>	<b>\$25,000,000</b>	<b>\$25,000,000</b>
excess of Self Insured Retention of	\$50,000,000	\$75,000,000
<b>Premium</b>	<b>\$4,038,975</b>	<b>\$3,975,000</b>
Lloyds	\$3,746,250	\$3,975,000
Acceptance	\$292,725	
<i>Estimated</i> Surplus Lines & Other Taxes & Fees	\$92,896	\$91,425
<b>Total Program Cost</b>	<b>\$4,131,871</b>	<b>\$4,066,425</b>
<b>\$ Change</b>	<b>\$121,478</b>	<b>-\$65,446</b>
<b>% Change</b>	<b>3.0%</b>	<b>-1.6%</b>

### BOUND

List of Syndicates & Capacity	% Share	% Share
Sompo Canopious - CNP444	10.00%	10.00%
Tokio Marine Kiln - KLN510 / TMK	13.78%	15.00%
Liberty - LIB4472	3.67%	4.00%
Axis - AXS1686	5.50%	5.50%
Agora - 3268 AGR	2.30%	acquired by IQUW
Ark - 3902 NOA	2.30%	2.50%
Cincinnati Global - 318CIN	7.50%	7.50%
RNR - RNR1458	9.18%	10.00%
Atrium - AUW 0609	4.59%	6.00%
Amlin - AML2001	8.00%	8.00%
QBE - QBE1886	5.00%	Declined
Aegis - AES1225	6.08%	8.00%
Beazley - AFB2623 / AFB623	7.60%	5.00%
W/R/B - WRB1967	5.00%	5.00%
HCC - LIRMA H5100	2.00%	2.00%
IQUW		7.50%
Ki		4.00%
<b>TOTAL LLOYDS</b>	<b>92.50%</b>	<b>100.00%</b>
<b>Acceptance Indemnity - RT Specialty</b>	<b>7.50%</b>	<b>0.00%</b>
<b>TOTAL US</b>	<b>7.50%</b>	<b>0.00%</b>
<b>TOTAL CAPACITY</b>	<b>100.00%</b>	<b>100.00%</b>

#### NOTES:

Commission - WTW London:10%

## INSURANCE PROGRAM SUMMARY

	Fire Season	Insurance Year**	Premium Cost	Insurance Deductible (Self-Insur.)	Amount of Coverage	Anticipated FEMA Reimbursement	Net F.F. Cost Claims (EFC Claims)	Paid By Insurance
1	73	73-74	\$45,000	\$325,000	\$1,000,000	NA	\$853,801	\$528,801
2	74	74-75	\$45,000	\$325,000	\$1,000,000	NA	\$453,331	\$128,331
3	75	75-76	\$75,000	\$500,000	\$1,000,000	NA	\$299,721	\$0
	76	76-77	NO COVERAGE			NA	\$304,240	
4	77	77-78	\$92,850	\$500,000	\$1,000,000	NA	\$465,503	\$0
5	78	78-79	\$77,006	\$500,000	\$1,000,000	NA	\$640,372	\$140,372
6	79	79-80	\$61,919	\$500,000	\$1,000,000	NA	\$1,166,147	\$666,147
7	80	80-81	\$138,875	\$1,000,000	\$1,000,000	NA	\$887,888	\$0
8	81	81-82	\$174,750	\$1,000,000	\$2,000,000	NA	\$3,048,422	\$2,000,000
9	82	82-83	\$174,750	\$1,000,000	\$2,000,000	NA	\$237,146	\$0
10	83	83-84	\$170,000	\$1,000,000	\$2,000,000	NA	\$0	\$0
11	84	84-85	\$144,968	\$1,000,000	\$2,000,000	NA	\$41,360	\$0
	85	85-86	NO COVERAGE			NA	\$414,723	
12	86	86-87	\$170,000	\$3,000,000	\$2,000,000	NA	\$4,217,318	\$917,993
13	87	87-88	\$244,045	\$2,000,000	\$2,000,000	NA	\$19,002,716	\$2,000,000
14	88	88-89	\$1,781,493	\$2,000,000	\$7,650,000	NA	\$9,600,000	\$7,549,771
15	89	89-90	\$1,956,109	\$4,000,000	\$8,000,000	NA	\$5,216,613	\$1,216,613
16	90	90-91	\$2,418,438	\$7,500,000	\$35,000,000	NA	\$4,511,611	\$0
17	91*	91-92	\$2,418,438	\$7,500,000	\$35,000,000	NA	\$3,406,772	\$0
18	92*	92-93	\$2,418,438	\$7,500,000	\$35,000,000	NA	\$12,850,855	\$5,350,855
19	93*	93-94	\$2,878,421	\$8,000,000	\$34,500,000	NA	\$1,954,271	\$0
20	94*	94-95	\$2,668,039	\$8,000,000	\$34,500,000	NA	\$14,669,153	\$6,669,153
21	95*	95-96	\$2,777,477	\$10,000,000	\$32,500,000	NA	\$3,618,209	\$0
22	96*	96-97	\$2,714,577	\$10,000,000	\$32,500,000	NA	\$2,410,977	\$0
23	97*	97-98	\$2,539,980	\$10,000,000	\$33,000,000	NA	\$36,189	\$0
24	98*	98-99	\$2,380,439	\$10,000,000	\$33,000,000	NA	\$666,713	\$0
25	99*	99-00	\$2,372,098	\$10,000,000	\$43,000,000	NA	\$3,036,044	\$0
26	00*	00-01	\$2,372,098	\$10,000,000	\$43,000,000	NA	\$5,780,952	\$0
27	01*	01-02	\$2,266,528	\$10,000,000	\$43,000,000	NA	\$14,889,423	\$4,880,003
28	02*	02-03	\$3,345,305	\$10,000,000	\$43,000,000	NA	\$30,001,937	\$19,975,885
29	03*	03-04	\$3,570,743	\$15,000,000	\$20,575,000	NA	\$9,180,727	\$0
30	04*	04-05	\$3,875,425	\$15,000,000	\$25,000,000	NA	\$2,017,509	\$0
31	05	05-06	\$1,290,626	\$25,000,000	\$25,000,000	NA	\$13,196,716	\$0
32	06	06-07	\$1,290,626	\$25,000,000	\$25,000,000	NA	\$9,238,746	\$0
33	07	07-08	\$1,081,510	\$25,000,000	\$25,000,000	NA	\$14,125,366	\$0
34	08	08-09	\$907,966	\$25,000,000	\$25,000,000	NA	\$9,129,075	\$0
35	09	09-10	\$907,972	\$25,000,000	\$25,000,000	NA	\$5,387,719	\$0
36	10	10-11	\$860,776	\$25,000,000	\$25,000,000	NA	\$5,036,777	\$0
37	11	11-12	\$811,590	\$25,000,000	\$25,000,000	NA	\$2,705,646	\$0
38	12	12-13	\$854,926	\$25,000,000	\$25,000,000	NA	<b>\$5,209,073</b>	\$0
39	13	13-14	\$923,318	\$20,000,000	\$25,000,000	\$43,316,069	\$74,628,615	\$25,000,000
40	14	14-15	\$2,012,041	\$20,000,000	\$25,000,000	\$14,150,201	\$42,232,661	\$22,232,661
41	15	15-16	\$3,832,815	\$50,000,000	\$25,000,000	<b>\$20,490,997</b>	<b>\$20,562,364</b>	\$0
42	16	16-17	\$3,526,191	\$50,000,000	\$25,000,000	<b>\$2,833,896</b>	<b>\$11,079,577</b>	\$0
43	17	17-18	\$3,240,879	\$50,000,000	\$25,000,000	<b>\$2,110,195</b>	<b>\$32,462,251</b>	\$0
44	18	18-19	\$3,560,044	\$50,000,000	\$25,000,000	<b>\$20,482,731</b>	<b>\$40,143,014</b>	\$0
45	19	19-20	\$3,726,264	\$50,000,000	\$25,000,000	<b>\$7,893,434</b>	<b>\$11,135,379</b>	\$0
46	20	20-21	\$4,010,403	\$50,000,000	\$25,000,000	<b>\$63,399,005</b>	<b>\$49,649,895</b>	\$0
47	21	21-22	\$4,038,975	\$50,000,000	\$25,000,000			\$0

Total(s)	\$83,245,131	\$174,676,528	\$501,803,516	\$99,256,585
	<b>1973-2022 Insurance Years</b>		<b>Fire Seasons</b>	
	<b>Cumulative Difference (Cost-Claim)</b>			<b>\$16,011,454</b>

Bolded figures indicate estimated costs.

\*1991 Legislature required the EFCC, by statute, to purchase insurance. The Legislature did not establish a minimum for insurance, but the Legislative intent indicated a deductible, plus insurance amount, equal to approximately \$45 million. (ORS 477.775)

Policy Period: April 15, 20XX-April 14, 20XX ( Fire Season)

Updated February 2, 2022



# Oregon

Kate Brown, Governor

## Emergency Fire Cost Committee

Nancy Hirsch, Administrator

2600 State Street

Salem, OR 97301

503-945-7449

503-945-7454

[www.oregon.gov/ODF](http://www.oregon.gov/ODF)

April 5, 2022

Cal Mukumoto, State Forester  
2600 State Street  
Salem, OR 97310

**SUBJECT:** Emergency Fire Cost Committee – Recommendation to Purchase a Firefighting Expense Insurance Policy for the 2022 – 2023 Policy Year

Dear Cal,

The Emergency Fire Cost Committee (EFCC) voted unanimously at its April 5, 2022, meeting to recommend to you that Oregon purchase a firefighting expense insurance policy for the 2022 – 2023 policy year (April 15, 2022 – April 14, 2023). Willis Towers Watson, the state of Oregon's Insurance Broker, was able to secure final terms from Lloyds's of London. The premium is \$3,975,000 plus estimated taxes and fees of \$91,425 for a total program cost of \$4,066,425.

Based on the factors considered by the committee, consistent with Oregon law<sup>1</sup>, the EFCC believes the purchase of this policy is important to help ensure financial certainty in the face of challenging fire seasons that Oregon has endured in this decade.

Feel free to contact me if you have any questions.

Sincerely,

Brennan Garrelts, Chair  
Emergency Fire Cost Committee

BG/NLH

cc: file

---

<sup>1</sup> <https://www.oregonlaws.org/ors/477.775>

## ORS 477.755 Emergency fire suppression costs insurance

- (1) Prior to February 1 of each year, the Emergency Fire Cost Committee and the forester shall consult regarding the purchase of emergency fire suppression costs insurance and the level of coverage to purchase for the fire season of that year.
- (2) In determining whether the purchase of insurance is advisable, the forester and the committee shall consider:
  - (a) The cost, coverage and deductible of insurance available from private insurance carriers;
  - (b) The funding available for fire suppression from the Oregon Forest Land Protection Fund and other sources;
  - (c) The current condition of forests;
  - (d) Long-term weather predictions;
  - (e) Available fire fighting resources; and
  - (f) Available funds for the purchase of insurance.
- (3) If the committee and the forester agree to purchase insurance, the forester shall purchase insurance through the Oregon Department of Administrative Services to cover any lawful expense incurred by the State Forestry Department, or contractors or cooperators, that is payable by the Oregon Forest Land Protection Fund. The insurance may be obtained through negotiation or competitive bids, whichever is in the best interest of the state, its contractors and cooperators.
- (4) The Oregon Forest Land Protection Fund may not be charged for payment of more than one-half of any premium for the insurance. [1969 c.524 §10; 1985 c.158 §2; 1989 c.91 §1; 1989 c.769 §11; 1991 c.639 §7; 2005 c.802 §15]