



Statement on House Bill 3089

House Committee On Commerce and Consumer Protection

Representative Nathan Sosa
Representative Farrah Chaichi
Representative Virgle Osborne
Representative Jami Cate
Representative Willy Chotzen
Representative David Gomberg
Representative Courtney Neron
Representative E. Werner Reschke
Representative Kim Wallan
Representative Jules Walters

Statement in Support of House Bill 3089: Addressing the Wildfire Insurance Crisis

Dear Chair Sosa and Members of the House Committee on Commerce and Consumer Protection,

On behalf of the Oregon Community Association Institute (CAI) Legislative Action Committee (LAC), which represents the interests of approximately 565,000 Oregonians residing in 228,000 homes within more than 3,980 community associations across our state, we are writing to express our support for House Bill 3089, a critical step in addressing the growing wildfire insurance crisis.

As wildfires become an ever-present and escalating threat, they are no longer confined to seasonal risks but have grown in both frequency and devastation. Despite this reality, the insurance industry has failed to adequately adapt to the increasing risks posed by wildfires. Many homeowners, even those outside high-risk areas, are now finding themselves without viable insurance coverage options. HB 3089 seeks to address this issue by redefining “wildfire” as its own catastrophic peril, separate from the broader category of “fire.”

Currently, wildfire losses are categorized under the peril of “fire,” which has led to unsustainable financial risks for insurers. This outdated classification forces insurers to either raise premiums, implement stricter eligibility requirements, or completely withdraw from high-risk markets across the state. By redefining wildfire as its own distinct peril, HB 3089 opens the door to necessary reforms across the insurance market and is a first step in making coverage more accessible and affordable for homeowners in wildfire-prone areas. This is a complex and layered issue so there will not be just one solution but this bill is a first step.



This is not just an industry solution—it is a consumer-driven solution. A dedicated wildfire insurance market would allow for more affordable and comprehensive policies for other risks, such as water damage or house fires, while ensuring that wildfire risk is appropriately addressed. It would also encourage collaboration with entities like the Insurance Services Office (ISO) and federal agencies such as Fannie Mae and Freddie Mac, ensuring that homeowners in high-risk areas can maintain access to coverage.

HB 3089 provides an important first step in stabilizing the insurance market and creating a dedicated, standalone wildfire insurance market. This bill would allow Oregon to lead the conversation on this reform and help our residence. By allowing insurers to offer tailored policies, deductibles, and loss assessment options for wildfire risks, this bill addresses the urgent need for better risk management in our state. It would also pave the way for future collaboration between neighboring states and ISO to develop a national framework for wildfire insurance.

The implications of this bill go beyond just wildfire coverage. By separating wildfire as its own peril, insurers can better price the risk, which in turn can make comprehensive coverage more available for other perils like water damage, fire (outside of wildfire), wind, and hail. This increase in competition will enhance affordability for homeowners while also improving insurance access for all perils—not just wildfire.

We understand that there are concerns regarding lending requirements and mortgage guidelines, particularly in high-risk areas. However, we believe that these challenges can be addressed in collaboration with institutions like Fannie Mae and Freddie Mac, and should not be a barrier to moving forward with this much-needed reform.

We urge the committee to support HB 3089 and take this essential step toward a more sustainable and accessible insurance market for Oregon's homeowners. By modernizing our approach to wildfire insurance, we can improve coverage availability, stabilize markets, and better align with wildfire safety initiatives.

Thank you for your consideration.

Sincerely,

Community Associations Oregon Legislative Action Committee Signatures

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