

SENATE BILL REPORT

ESHB 2330

As of February 14, 2024

Title: An act relating to wildfire risk.

Brief Description: Addressing wildfire protection and mitigation.

Sponsors: House Committee on Consumer Protection & Business (originally sponsored by Representatives Reeves, Ryu, Timmons, Reed, Springer and Ramel).

Brief History: Passed House: 2/12/24, 95-2.

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/14/24.

Brief Summary of Bill

- Establishes the Wildfire Mitigation and Resiliency Standards Work Group to develop recommendations on alignment of wildfire property mitigation standards, data sharing, increasing transparency with consumers, and establishing a grant program to retrofit residential property to reduce loss due to wildfire.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Jeff Olsen (786-7428)

Background: The Office of the Insurance Commissioner is responsible for licensing and regulating insurance companies doing business in this state, including regulating the form and content of insurance contracts and approving insurance rates, as provided for in the Insurance Code (Code). An insurance contract establishes conditions under which the insurer may cancel or not renew an insurance policy. Though the reasons for cancellation or nonrenewal are contract dependent, they may be the result of nonpayment, increased risk, or fraud or misrepresentation by the insured. By state law, an insurer must give the insured a certain number of days written notice prior to the effective date of the cancellation or

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nonrenewal.

The Department of Natural Resources (DNR) has direct charge and responsibility over all matters pertaining to forest fire services in the state. The forest fire related duties of DNR include enforcing all forest fire related laws, investigating the cause of forest fires, and directing fire suppression efforts. The Wildfire Response, Forest Restoration, and Community Resilience Account was created in 2021 and a portion of the funds must be used for community resilience activities.

Summary of Bill: The Wildfire Mitigation and Resiliency Standards Work Group (Work Group) is established. The Work Group is co-chaired by the Insurance Commissioner and the Commissioner of Public Lands for DNR and staff supported is provided by the Office of the Insurance Commissioner. The membership of the Work Group includes the Insurance Commissioner or a designee; the DNR Commissioner of Public Lands or a designee; four representatives from the property and casualty insurance industry; one representative from the insurance institute for business and home safety; one representative from local emergency management, nominated by the Washington State emergency management council; and four *ex officio* members total, one from each of the two largest caucuses of the House of Representatives and the Senate. Other state agency or stakeholder group representatives may, at the Work Group's discretion, participate in specific discussions or on subcommittees.

The Work Group must study and make recommendations on the following:

- development and alignment of wildfire property mitigation standards with nationally recognized, science-based wildfire mitigation standards;
- enhancing wildfire mitigation at the community level;
- sharing relevant data between appropriate state agencies and the insurance industry regarding successful implementation of wildfire mitigation efforts including wildfire risk assessment tools;
- increasing transparency with consumers, including through consumer disclosures for insurance nonrenewals related to wildfire risk; and
- establishing a grant program to provide grants to Washington homeowners for purposes including retrofitting residential property to resist loss due to wildfire and evaluating whether residential property meets specified wildfire mitigation standards.

The Work Group must submit a report to the Legislature, the Office of the Insurance Commissioner, and DNR by December 1, 2024.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Climate change and wildfire risk are not just an Eastern Washington issue. There is a risk that Washington consumers will experience a loss of insurance and may not continue to be provided to insure homeowners. Washington needs to be proactive in addressing the issue. DNR has a wildfire ready program, and the work group needs to collect information and evaluate how to merge national standards with some of the work we are currently doing. The work group will also make recommendations on a grant program to help homeowners mitigate wildfire risks.

Persons Testifying: PRO: Representative Kristine Reeves, Prime Sponsor.

Persons Signed In To Testify But Not Testifying: No one.