SENATE BILL REPORT
SB 5928

As of January 15, 2026

Title: An act relating to wildfire risk models and wildfire risk score disclosure.

Brief Description: Concerning wildfire risk models and score disclosure.

Sponsors: Senators Warnick, Short, Hasegawa, Holy, Nobles, Riccelli, Shewmake and Stanford; by request of Insurance Commissioner.

Brief History:
Committee Activity: Business, Trade & Economic Development: 1/15/26.

Brief Summary of Bill

- Specifies requirements and procedures for authorized property insurers in disclosing to applicants and insureds wildfire risk scores and risk classifications, revising such scores and classifications, and handling appeals.
- Specifies requirements for insurers using wildfire risk models, catastrophe models, or scoring methods in filing rates with the Office of the Insurance Commissioner (OIC), in underwriting and pricing, and in publicly disclosing information.
- Provides for confidentiality and an exemption from public inspection requirements for certain information.
- Authorizes OIC to adopt rules.

SENATE COMMITTEE ON BUSINESS, TRADE & ECONOMIC DEVELOPMENT

Staff: John Kim (786-7453)

Background: In 2025, the Legislature created a wildfire mitigation and resiliency

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standards work group (work group) to study and make recommendations on such standards to the Legislature. The work group was co-chaired by the Insurance Commissioner and the Commissioner of Public Lands for the Department of Natural Resources and included members and *ex officio* members from various stakeholder groups.

The Legislature required the work group to develop recommendations in five areas. One area was specified as improving transparency for consumers regarding wildfire hazard and risk, including through disclosures to policyholders for insurance policy nonrenewals primarily related to wildfire risk, with the intent of increasing the availability of insurance, decreasing nonrenewals, and enhancing market stability informed by industry and consumer data.

The work group published its final report to the Legislature in December 2025. Regarding wildfire hazard and risk transparency, the report concluded there were some areas of alignment but divergent perspectives across participants.

Summary of Bill: Insurer Requirements Relating to Wildfire Risk Scores and Risk Classifications. *Disclosure.* An insurer authorized in this state that uses a wildfire risk score relating to property insurance and in connection with either the underwriting of real property regarding eligibility for coverage, or in rating of real property to generate a premium, or both, must provide the applicant or the insured, and the relevant insurance producer, the following information:

- the current wildfire risk score of the property to be covered;
- the range of possible wildfire risk scores under the model used;
- the name of the person or entity that created the wildfire risk score for the property;
- the date on which the wildfire risk score was created for the property; and
- the key factors that adversely contributed to the wildfire risk score of the property and steps the consumer can take to improve it.

An insurer must provide such information in writing and in plain language to the property owner no later than 15 days after a decline or acceptance of property coverage the consumer applied for. It must be provided within a renewal, nonrenewal, or cancellation notice.

A wildfire risk score is defined as a numerical value, rating, or categorization derived from a statistical tool, modeling system, algorithm, or other process used for the purpose of predicting the future wildfire-related insurance loss exposure of a property to measure or assess wildfire risk for a residential property for the purposes of property evaluation in either underwriting or rating, or both.

Revised Wildfire Risk Scores or Risk Classifications. An insurer must provide a revised wildfire risk score or wildfire risk classification no later than 30 calendar days after receipt of a policyholder's or an applicant's documentation that since the last evaluation, the policyholder or applicant:

- has completed a property-specific mitigation action to reduce the risk of loss; or

- provides evidence of a community-level mitigation action in sufficient proximity to the property to reduce the risk of loss.

Right to Appeal a Wildfire Risk Score or Risk Classification. A policyholder or applicant for a property insurance policy may appeal an inaccurate wildfire risk model score, wildfire risk classification of the property, or applicable mitigation discount directly to the insurer if the policyholder or applicant provides evidence of the property-specific or community-level mitigation action. The insurer must notify the policyholder or applicant of this right to appeal when the score, classification, or discount is provided to the policyholder or applicant.

The insurer must acknowledge receipt of the appeal within ten calendar days and must respond in writing with a reconsideration and decision within 30 days after receipt of the appeal. If the appeal is denied, the insurer must forward a copy of the appeal and the insurer's response to the Office of the Insurance Commissioner (OIC) upon request.

Insurer Requirements Relating to Wildfire Risk Models, Catastrophe Models, or Scoring Methods. *Rate Filings*. As part of an insurer's complete rate filing, an insurer that uses any wildfire risk model or catastrophe model or scoring method to assign risk must provide to OIC the model or method to assign risk, including:

- a description of the model;
- the impact of the model on rates;
- an actuarial justification for all rating factors, including mitigation discounts offered; and
- an explanation of the use of the model in underwriting decisions.

A wildfire risk model is defined as a tool, instrumentality, means, or product, including a map-based tool, a computer-based tool, or a simulation, used by an insurer in whole or in part, to measure or assess the wildfire risk associated with a residential property or community for purposes of rating, classifying, or pricing based on wildfire risk or estimating risks or losses corresponding to the wildfire risk classifications.

To the extent data is available and as established by rule, an insurer must submit as part of its rate filings information on how and whether the models are used for either underwriting or rating account, or both, for statewide and local mitigation activities, such as forest treatment, investments in wildfire fighting and mitigation equipment, and utility wildfire mitigation activities.

Wildfire risk models may not be used to determine personal insurance rates, premiums, or eligibility for coverage unless the scoring models are filed with OIC. Wildfire risk models include all attributes and factors used in the calculation of a wildfire risk score.

An insurer that uses a wildfire risk model, a catastrophe model, or a combination of models must ensure the following factors are either incorporated in the wildfire risk model,

catastrophe model, or combination of models or are otherwise demonstrably included in the insurer's underwriting and pricing:

- property-specific mitigation actions, such as establishing defensible space, incorporating building hardening measures, or receiving certification from an entity with expertise in mitigation of properties against wildfire; and
- community-level mitigation activities or designations, including forest treatment, other fuel reduction activities, and local fire protection efforts.

A property-specific mitigation action is defined as a science-based mitigation action as demonstrated by the Wildfire Prepared Home designation from the Insurance Institute for Business and Home Safety (IBHS) or by a similar mitigation program that includes a verification and certification process. A community-level mitigation action is defined as a science-based mitigation action as demonstrated by a community-level or neighborhood-level designation or certification or as undertaken by a government entity.

If an insurer does not incorporate property-specific and community-level mitigation actions into its models, the insurer must provide discounts to policyholders who can demonstrate that property-specific mitigation actions have been undertaken on the property or community-level mitigation actions have been undertaken in sufficient proximity to the property to reduce the risk of loss.

Confidentiality and Exemption from Public Inspection. Information filed regarding wildfire risk models, catastrophe models, or scoring methods is exempt from public inspection requirements. The information must be withheld from public inspection and kept confidential by OIC, and are considered trade secrets. Such information may be made public by OIC for the sole purpose of enforcement actions taken by OIC.

Public Disclosures. An insurer must post on its public website readily accessible information on the premium discounts, incentives, or other premium adjustments available to policyholders who undertake property-specific mitigation actions or provide evidence of community-level mitigation actions, and the process for appealing a wildfire risk score. The website must identify, as applicable:

- property-specific mitigation actions for the policyholder to undertake and community-level mitigation actions that could result in a discount, incentive, or other premium adjustment; and
- the amount of the discount, incentive, or other premium adjustment associated with each action.

Rulemaking by the Office of the Insurance Commissioner. OIC may adopt necessary implementing rules.

Appropriation: None.

Fiscal Note: Requested on January 7, 2026.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Certain districts have been inundated with wildfires in the past few years and I have heard of more wildfires in western Washington as well. I hear almost daily from constituents who have lost insurance or their rates have gone up tremendously. This bill will start the conversation and look at the risk models that insurance companies are using. We talked with other states who have gone through this as well like Colorado and Montana, and some of the ideas in this bill have come from other states.

The Office of the Insurance Commissioner (OIC) feels it is only fair that when a property owner is being evaluated by these models and scores, they should know who's doing the evaluation, what the score actually is, what's in the score that is negatively impacting them, and if possible, what steps they can do to improve it. Wildfire risk models need to account for mitigation, especially at the local level with the efforts of both fire districts and the steps property owners are doing.

I was a participant of the wildfire mitigation workgroup on behalf of the Confederated Tribes of the Colville Reservation. This bill sets out those clear standards and disclosure requirements discussed in the workgroup.

I am the fire chief of Stevens County Fire Protection District 1. Fire districts are the top form of community mitigation. Wildfires are on the shoulders of fire districts; however, we are not included in any of the wildfire risk scoring. The main concern that fire districts have is that our millions of dollars worth of equipment and training go towards helping the insurance rates of our taxpayers. We have come up with a list of 20 to 25 factors of wildfire risk involvement that fire districts should be responsible for and should be included in risk scoring. Cancellations started immediately in the Leavenworth/Chelan County area this year even before crews were off the fire scenes for the Labor Mountain and Lower Sugarloaf fires.

Climate Cabinet Action finds numerous studies show insurance becomes more cost-effective with the adoption of climate-resilient practices. The bill helps Washingtonians experience the benefits of climate-resilient infrastructure upgrades in insurance rates and availability. Colorado became the first state to require insurers to factor community and household mitigation efforts into insurance modeling last year.

The Independent Insurance Agents and Brokers of Washington works closely with customers and company partners. I hear from agents all of the time about insureds in Central and Eastern Washington that have frustrations finding markets because of wildfire. They are also frustrated and confused with the underwriting and pricing process and would welcome more information and transparency on making rates, whether their house is

insurable, and what they can do to make their house more insurable. We understand the challenges of insurance companies in being able to summarize these models in a page or two for people to understand.

The Washington Realtors believes this bill gives property owners information and tools to better protect their homes and communities.

The Washington Hospitality Association finds wildfire risk scores have had a significant impact on hospitality businesses. Members in Winthrop and Wenatchee were denied by as many as 10 to 15 insurance carriers solely due to wildfire zone classifications. We see this pop up in Spokane and above in the Okanogan area as well as in Leavenworth. As a result of unexplained denials, many of our businesses are left with only a few insurance carriers willing to write their coverage. Often the cost is 30 to 40 thousand dollars just for a small diner. We are also seeing a growing trend of denials tied to voluntary fire departments. While we understand this bill applies only to homeowners' insurance, we look forward to working with the sponsor to include commercial lines as well.

350 Washington is a network of grassroots climate activists. The cost of property insurance is being driven up by extreme weather events. This bill is a common sense measure to give Washingtonians clear guidance and lower their insurance bill. We hope similar measures can be adopted for other events like flooding and windstorms.

CON: The National Association of Mutual Insurance Companies (NAMIC) opposes this bill. Consumers can currently call their insurers and ask about their wildfire risk score. If they need something in writing and on record, a bill in Montana would be a better way to do that. While it is true that scores in areas with high wildfire risk may lead to higher premiums and rates, it is also true that areas with low wildfire scores will likely lead to lower premiums and risks. This bill could lead to insurers moving away from a wildfire score system, replacing it with a less accurate system where all ratepayers are paying more because we don't have that detailed level of information. We oppose the requirement to file underwriting guidelines because they are proprietary business documents. The appeals process is a concern because it opens the door to more compliance action by the OIC. Finally, the 30-day re-scoring and re-classification mandate is simply too tough. Insurers would likely have to send an actual individual out to the property to evaluate what has taken place. Wildfire scores are not punitive. They are a way for insurers to look at the risk that both insurers and consumers have to pay and divide it appropriately.

OTHER: I served on the workgroup on behalf of the Northwest Insurance Council. Our members share many of the same concerns as NAMIC. We share concerns about the depth and breadth of the bill but would appreciate the opportunity to work with the bill sponsor. We are aware that many of the provisions in the bill have been enacted and are in various stages of implementation or rulemaking in other states.

The American Property Casualty Insurance Association (APCIA) supports the goal of

improved wildfire risk transparency and helping consumers understand and reduce their exposure while not ratcheting regulatory obligations beyond what's necessary. We see areas in the bills that could be refined, with examples as follows: We would like to the bill narrowed to rate setting only, removing the underwriting inclusion; we would like to see standardized disclosure forms developed by the OIC; we would like to see a recognition of IBHS standards; and in addition, exclude commercial and multiple location lines.

Persons Testifying: PRO: Senator Judy Warnick, Prime Sponsor; Mike Bucy, Stevens County Fire Protection District 1; David Forte, Office of the Insurance Commissioner; Logan Dozier, Washington Hospitality Association; Patrick Tonasket, Confederated Tribes of the Colville Reservation; Jordan Haedtler, Climate Cabinet Action; Mary Hull-Drury, Washington Realtors; Andrew Eckels, 350 Washington; Daniel Holst, www.wainsurance.org.

CON: Brandon Vick, National Association of Mutual Insurance Companies (NAMIC).

OTHER: Kenton Brine, Northwest Insurance Council; Christine Brewer, American Property Casualty Insurance Association.

Persons Signed In To Testify But Not Testifying: PRO: Mayor Terri Cooper, City of Medical Lake.