



**FEDERATED** RURAL ELECTRIC  
INSURANCE EXCHANGE

# Wildfire Impact on Insurance

## Financial

- Over \$15 Billion in US insured losses in 2020 alone

## Underwriting

- More specific questions
- More specific exclusions
- New pricing models

# New York Times, 2024

## California

- Recent history of catastrophic wildfires
- Unique legal standard for fire liability

- 2023 Maui fires, Hawaii
  - Risk increasing in areas not previously exposed to catastrophic fires
- 2023 PacifiCorp verdict, OR
  - Jury finding of liability in 2020 Labor Day fires

## ***Utility-Caused Wildfires Are Becoming a National Problem***

Climate change is raising the risk of blazes that are started by power lines and other utility equipment in many parts of the U.S. besides California.

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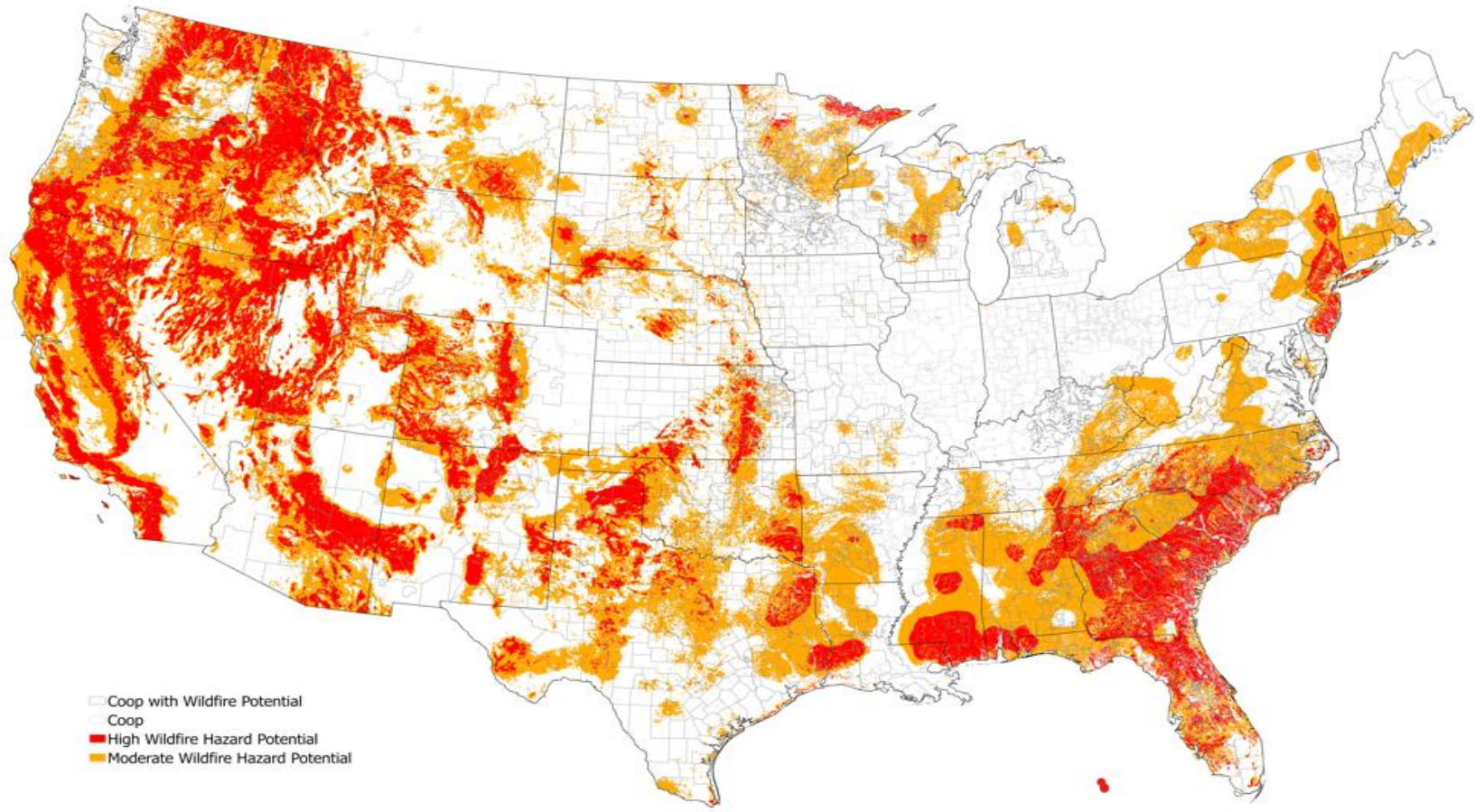


Workers replaced power lines that the Smokehouse Creek Fire damaged last month in Fritch, Texas. Desiree Rios for The New York Times

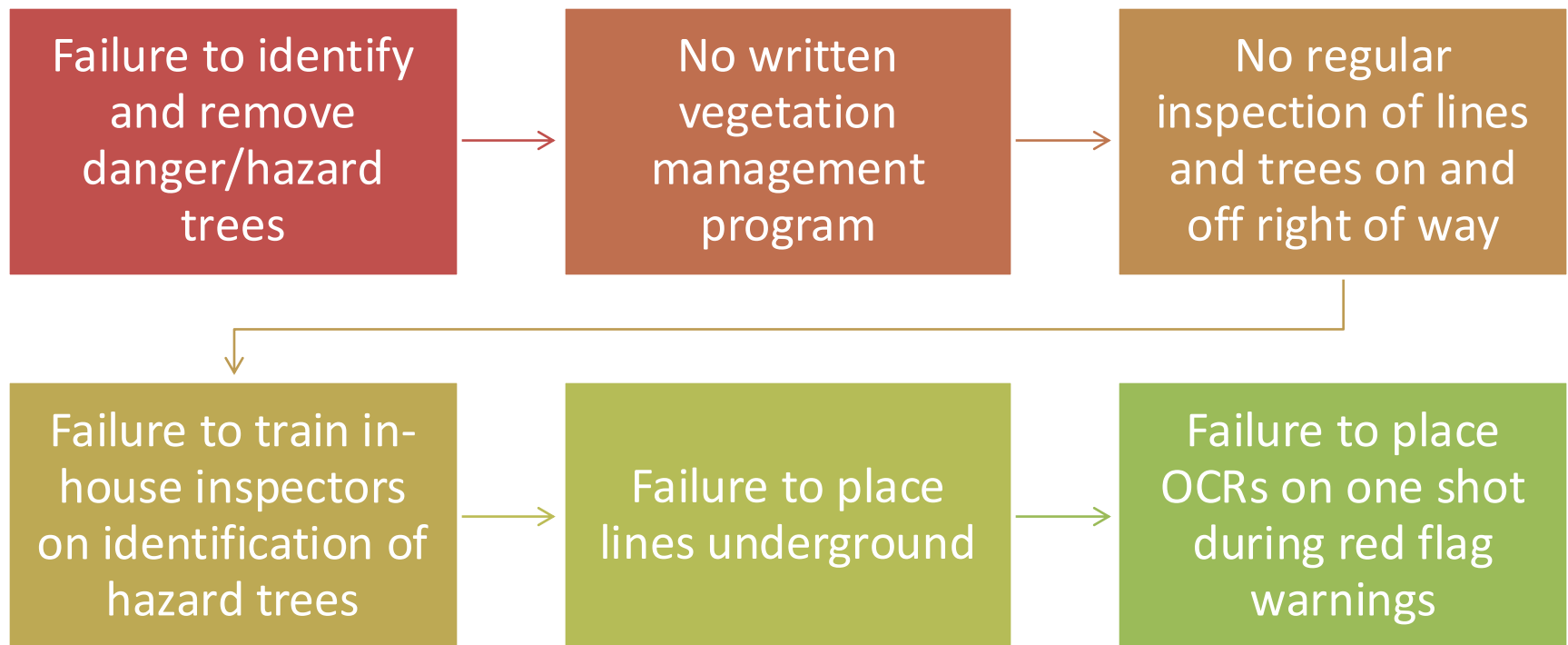
# 2025 Legislative Session

State ▲	Recent Legislation	Status	Creates More Protective Liability Standard?	Caps Damages?	Creates Wildfire Fund?	Creates WMP Standard?
Arizona	HB 2201	Enacted	Yes	Yes	No	Yes
Colorado	HB 1302	Failed	No	No	Yes	No
Hawaii	SB 897	Enacted	No	Yes	No	Yes
Idaho	SB 1183	Enacted	Yes	No	No	Yes
Kansas	HB 2107	Enacted	No	Yes	No	No
Montana	HB 490	Enacted	Yes	Yes	No	Yes
New Mexico	HB 334 / SB 281	Failed	Yes	Yes	No	No
North Dakota	SB 2339	Enacted	Yes	No	No	Yes
Oklahoma	SB 1071	Failed	Yes	Yes	No	No
Oregon	HB 3666	Failed	Yes	No	No	No
Oregon	HB 3917	Failed	No	Yes	Yes	No
Texas	HB 145	Enacted	Yes	No	No	Yes
Texas	HB 3402	Failed	Yes	No	No	Yes
Washington	HB 1522	Enacted	No	No	No	Yes
Wyoming	HB 192	Enacted	Yes	Yes	No	Yes

# 2024 Wildfire Potential Map



# Allegations Against Utilities





# Wildfire Mitigation Key Objectives

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## Minimize Utility Ignitions

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Protect public safety

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Inspection & maintenance practices

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Vegetation management programs

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Operational practices

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System hazard mapping

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Communication & community outreach

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Continually improve plan

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Reduce liability

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# A Fire Safe Culture

## Why does a utility adopt a Fire Safe Culture?

- In response to regulatory pressure
- In response to visionary leadership
- In response to a **catastrophic fire event**

One of these things is not like the others...

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