S-4162.1

SUBSTITUTE SENATE BILL 5928

State of Washington 69th Legislature 2026 Regular Session

By Senate Business, Trade & Economic Development (originally sponsored by Senators Warnick, Short, Hasegawa, Holy, Nobles, Riccelli, Shewmake, and Stanford; by request of Insurance Commissioner)

READ FIRST TIME 01/22/26.

AN ACT Relating to wildfire risk models and wildfire risk score disclosure; adding a new section to chapter 48.18 RCW; and adding a new section to chapter 48.19 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** A new section is added to chapter 48.18 RCW to read as follows:

(1) An insurer 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, shall provide the applicant or the insured, and the relevant insurance producer, the following information to enhance transparency:

(a) The current wildfire risk score of the property to be covered;

(b) The range of possible wildfire risk scores under the model used;

(c) The name of the person or entity that created the wildfire risk score for the property;

(d) The date on which the wildfire risk score was created for the property; and

(e) The key factors that adversely contributed to the wildfire risk score of the property and steps the consumer can take to improve it.

(2) An insurer shall provide to a property owner in writing and in plain language the information listed in subsection (1) of this section no later than 15 days after a decline or acceptance of property coverage the consumer applied for.

(3) An insurer shall provide the property owner in writing and in plain language the information listed in subsection (1) of this section within the renewal, nonrenewal, or cancellation notice.

(a) For a policy nonrenewal, the information may be provided in the notice required in RCW 48.18.2901.

(b) For a policy cancellation, the information may be provided in the notice required in RCW 48.18.290.

(4) An insurer shall provide a revised wildfire risk score or wildfire risk classification no later than 30 calendar days after receipt of the policyholder's or applicant's documentation that since the last evaluation the policyholder or applicant:

(a) Has completed a property-specific mitigation action to reduce the risk of loss; or

(b) Provides evidence of a community-level mitigation action in sufficient proximity to the property to reduce the risk of loss.

(5)(a) A policyholder or applicant for a policy of property insurance whose wildfire risk model score, wildfire risk classification assigned to the property, or applicable mitigation discount is inaccurate, and provides evidence of the property-specific or community-level mitigation action may appeal the score directly to the insurer. The insurer shall notify the policyholder or applicant in writing of the right to appeal the wildfire risk score or other wildfire risk classification or applicable mitigation discount when the score, classification, or discount is provided to the policyholder or applicant as required by subsections (2) and (3) of this section.

(b) If the policyholder or applicant appeals the wildfire risk score or other wildfire risk classification or applicable wildfire discount, the insurer shall acknowledge receipt of the appeal in writing within 10 calendar days after receipt of the appeal. The insurer shall respond to the appeal in writing with a reconsideration and decision within 30 calendar days after receiving the appeal. If an appeal is denied, the insurer shall, upon request by the

commissioner, forward a copy of the appeal and the insurer's response, to the commissioner.

(6) For purposes of this section:

(a) "Insurer" means authorized insurers in this state; and

(b) "Wildfire risk score" means a numerical value, rating, or categorization derived from a statistical tool, modeling system, algorithm, or other process that is 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.

(7) The commissioner may adopt rules as necessary to implement this section.

NEW SECTION. **Sec. 2.** A new section is added to chapter 48.19 RCW to read as follows:

(1)(a) An insurer that uses any wildfire risk model or a catastrophe model or scoring method to assign risk shall provide the wildfire risk model, catastrophe model, or scoring method used 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, to the commissioner as part of the insurer's complete rate filing.

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

(c) Wildfire risk models must not be used to determine personal insurance rates, premiums, or eligibility for coverage unless the scoring models are filed with the commissioner. Wildfire risk models include all attributes and factors used in the calculation of a wildfire risk score. RCW 48.19.040(5) does not apply to any information filed under this subsection, and the information must be withheld from public inspection and kept confidential by the commissioner. All information filed under this subsection is considered trade secrets under RCW 48.02.120(3). Information filed

under this subsection may be made public by the commissioner for the sole purpose of enforcement actions taken by the commissioner.

(2) An insurer that uses a wildfire risk model, a catastrophe model, or a combination of models shall 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:

(a) 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

(b) Community-level mitigation activities or designations, including forest treatment, other fuel reduction activities, and local fire protection efforts.

(3) If an insurer does not incorporate property-specific and community-level mitigation actions into its models, the insurer must provide actuarially sound 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.

(4) An insurer shall post on its public website readily accessible information on the premium discounts, incentives, or other premium adjustments that are 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:

(a) 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

(b) The amount of the discount, incentive, or other premium adjustment associated with each action.

(5) For the purposes of this section:

(a) "Catastrophe model" means a tool, instrumentality, means, or product, including a map-based tool, a computer-based tool, or a simulation that is used by an insurer to estimate potential losses from catastrophic events;

(b) "Community-level mitigation action" means a science-based mitigation action as demonstrated by a community-level or

neighborhood-level designation or certification or as undertaken by a government entity;

(c) "Property-specific mitigation action" means a science-based mitigation action as demonstrated by the "wildfire prepared home" designation from the insurance institute for business and home safety or by a similar mitigation program that includes a verification and certification process; and

(d) "Wildfire risk model" means a tool, instrumentality, means, or product, including a map-based tool, a computer-based tool, or a simulation, that is 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.

(6) The commissioner may adopt rules as necessary to implement this section.

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