

Lloyd's of London could again pay for Oregon wildfire costs

By GARY A. WARNER
Oregon Capital Bureau

SALEM — With the prospect of a catastrophic 2021 fire season looming, Oregon will rely again on its one of a kind \$25 million wildfire risk policy with the world's oldest continually active insurance marketplace.

Lloyd's of London, which traces its roots to a 17th century coffee-house near the Tower of London, has insured the Oregon Department of Forestry against wildfire losses since 1973. No other state has wildfire insurance.

"It's a catastrophic firefighting expense policy," said ODF spokesman Jim Gersbach.

Oregon's trees are among Lloyd's one of a kind insurance policies that have included 1940s actress Betty Grable's legs, comedian Jimmy Durante's outsized nose, rock star Bruce Springsteen's voice, Rolling Stones guitarist Keith Richards' hands, and crooner Tom Jones' chest hair.

The plan will pay up to \$25 million of wildfire costs in Oregon. Under the policy, Oregon covers the first \$50 million in fire costs, then Lloyd's pays the next \$25 million.

Anything above that level is paid for by the state. When costs get that high, federal disaster money usually pays for a large share of the costs.

The worst wildfires in the state's history swept down out of the west Cascades slopes into the Willamette Valley over the 2020 Labor Day weekend. The 16 major fires burned 1 million acres, destroyed more than 4,000 homes and other



InciWeb/Contributed Photo

Downed power lines were identified as the cause of 13 fires in the Santiam Canyon during 2020. With the prospect of a catastrophic 2021 fire season looming, Oregon will rely again on its unique \$25 million wildfire risk policy with the world's oldest continually active insurance marketplace.

structures, caused 40,000 people to be evacuated, and killed 11 people.

By the third week of September 2020, the Northwest Interagency Coordination Center, a logistical center for regional wildfire response, estimated Oregon's fires would cost \$53 million, which put the state and Lloyd's on alert that a claim might be filed.

The final cost of the Oregon wildfires to the Oregon Department of Forestry was about \$130 million. The bill was offset by more than \$70 million in federal disaster aid, along with fees the state earned for fighting fires on land it did not control and reimbursement for other aid.

"The cost for suppressing the 2020 wildfires is estimated at just under \$50 million, which is why it did not trigger the policy," Gersbach said.

The current policy runs through April 15, 2022. Lloyd's of London accounts for 90% of the policy cost, while Nashville-based Acceptance Insurance carried 10%.

The Oregon Legislature will vote on a portion of the premium in the Oregon Department of Forestry budget, which is now before the Joint Ways and Means Committee.

When Lloyd's of London and the state negotiated a renewal of the policy, it included a relatively

modest 3% premium increase to \$4,131,871 per year. The cost is split between the state and private timberland owners. Landowners pay their share through a property tax formula.

The Oregon Department of Forestry, which holds the insurance contract for the state, says the policy has saved the state millions over the years. The agency is responsible for about 16 million acres of forested land — about half the total in the state.

ODF is also the key firefighting agency on 2.3 million acres controlled by the U.S. Bureau of Land Management.

"This helps the agency keep fires from spreading to other ODF-protected lands, minimizing overall cost and potential loss," Gersbach said. "If a fire on BLM land escapes initial attack, BLM is no longer eligible to receive large fire cost reimbursement."

In those cases, BLM must reimburse the state for ODF's firefighting costs. Reimbursements for the 2020 fires are one of the reasons the overall costs to ODF fell below the minimum level for the Lloyd's policy to be activated.

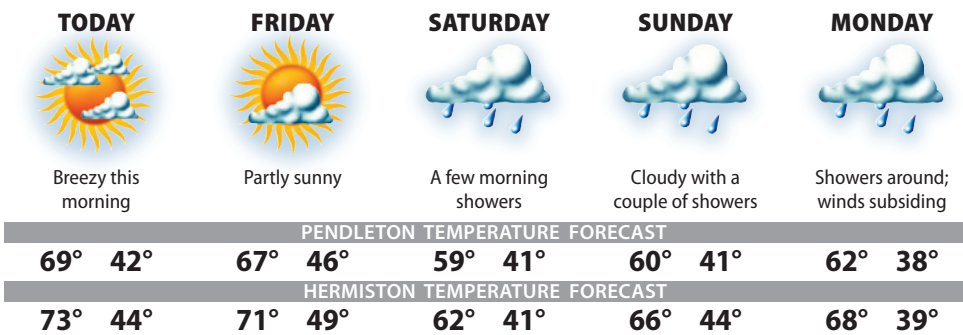
Gersbach said during the 48-year relationship with Lloyd's, the state has received \$99 million in claims payments against \$75 million in premiums it paid. The most recent claims ODF made were for \$25 million in 2013 and \$23.2 million in 2014.

The consecutive years of claims led Lloyd's to nearly double the premium from \$2 million to \$3.75 million. The deductible rose from \$20 million to \$50 million, while Lloyd's maintained a cap on its payout to \$25 million.

Some state lawmakers balked at the increase, suggesting the state instead create a \$60 million firefighting trust fund that the state would finance directly. But there were concerns that in tight budget years, future legislatures or governors might be tempted to "sweep" the fund to use to finance unrelated programs or projects.

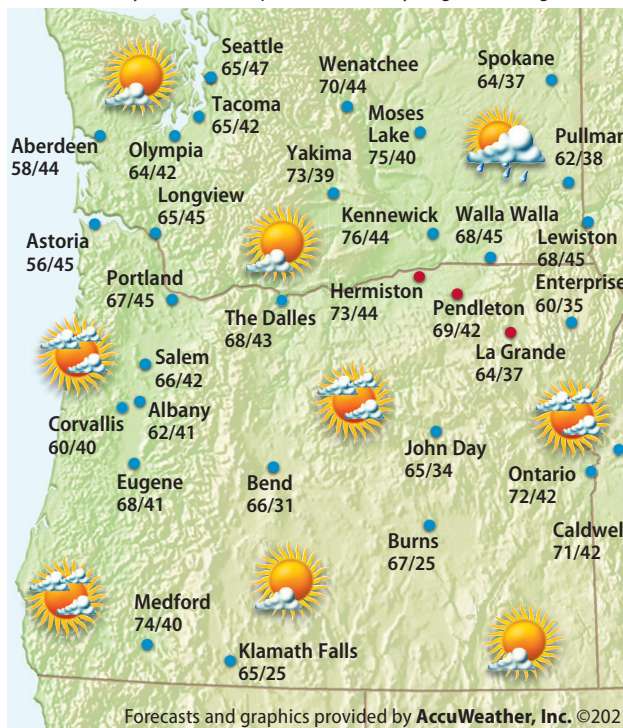
There had been concern that a 2020 claim could drive up the premium price as Lloyd's faced a historic year of payouts driven by the COVID-19 pandemic.

Forecast for Pendleton Area



OREGON FORECAST

Shown is today's weather. Temperatures are today's highs and tonight's lows.



ALMANAC

PENDLETON through 3 p.m. yest.		
TEMP.	HIGH	LOW
Yesterday	67°	34°
Normals	64°	40°
Records	92° (1934)	26° (1951)
PRECIPITATION		
24 hours ending 3 p.m.	0.00"	
Month to date	Trace	
Normal month to date	0.83"	
Year to date	3.34"	
Last year to date	4.98"	
Normal year to date	4.79"	
HERMISTON through 3 p.m. yest.		
TEMP.	HIGH	LOW
Yesterday	71°	29°
Normals	66°	40°
Records	92° (1934)	20° (1951)
PRECIPITATION		
24 hours ending 3 p.m.	0.00"	
Month to date	Trace	
Normal month to date	0.57"	
Year to date	1.20"	
Last year to date	0.48"	
Normal year to date	3.68"	
WINDS (in mph)		
	Today	Fri.
Boardman	WSW 8-16	SW 8-16
Pendleton	W 10-20	W 6-12
SUN AND MOON		
Sunrise today	5:57 a.m.	
Sunset tonight	7:51 p.m.	
Moonrise today	2:24 p.m.	
Moonset today	4:14 a.m.	

Northwest's 'normal' temps rising

By DON JENKINS
Capital Press

SALEM — The climate for the Northwest and most of the contiguous U.S. has become slightly warmer in the past decade, the National Oceanic and Atmospheric Administration reported on Tuesday, April 20.

The warming was widespread, according to NOAA's National Centers for Environmental Information, though Montana and the Dakotas bucked the trend and slightly cooled.

"There are some areas that actually have cooler temperature normals, especially in the spring in the North-Central U.S.," said Michael Palecki, manager of NOAA's climate normals.

NOAA updates every 10 years what's considered "normal" weather. Statisticians analyzed temperature and precipitation readings from thousands of weather stations between 1991 and 2020.

NOAA will release the new normals on May 4. Palecki and other NOAA officials held a conference call with reporters to hit

some highlights.

Because two decades overlap, the new climatic normals aren't that much different. Still, the new norms likely mean fewer seasons, months and days with temperatures "above normal."

Annual mean temperatures in Washington generally increased by up to 0.5 degree Fahrenheit, though some places warmed slightly more and some did not change.

Oregon, Idaho and Northern California had a similar pattern, though patches of Southern Idaho warmed by more than 1 degree.

The warming was not uniform throughout the seasons. Normal high temperatures in April and October in much of Washington, Oregon and Idaho will now be slightly cooler than previously.

"Not every month in every location in the U.S. is always warming despite the fact that we generally are warming in our climate," Palecki said.

Warming shows up more clearly by comparing 1991-2020 temperatures to early 20th century normals, he said. The annual mean temperature has increased in every state

since 1901-30.

"There's a huge difference in temperatures over time as we go from cooler climates in the early part of the 20th century," Palecki said. "We're really seeing the fingerprints of climate change in the new normals."

Roughly speaking, the eastern half the U.S. is getting wetter, while the western half is getting drier, though there are exceptions.

Western Washington and the Idaho Panhandle became wetter in the past decade, as did Montana and the Dakotas.

Much of Eastern Oregon joined California and the Southwest to form a large region that became drier.

The World Meteorological Organization on Monday, April 19, released its annual global climate report.

Global mean temperatures in 2020 were approximately 2.16 degrees Fahrenheit above baseline temperatures from 1850 to 1900, according to the report.

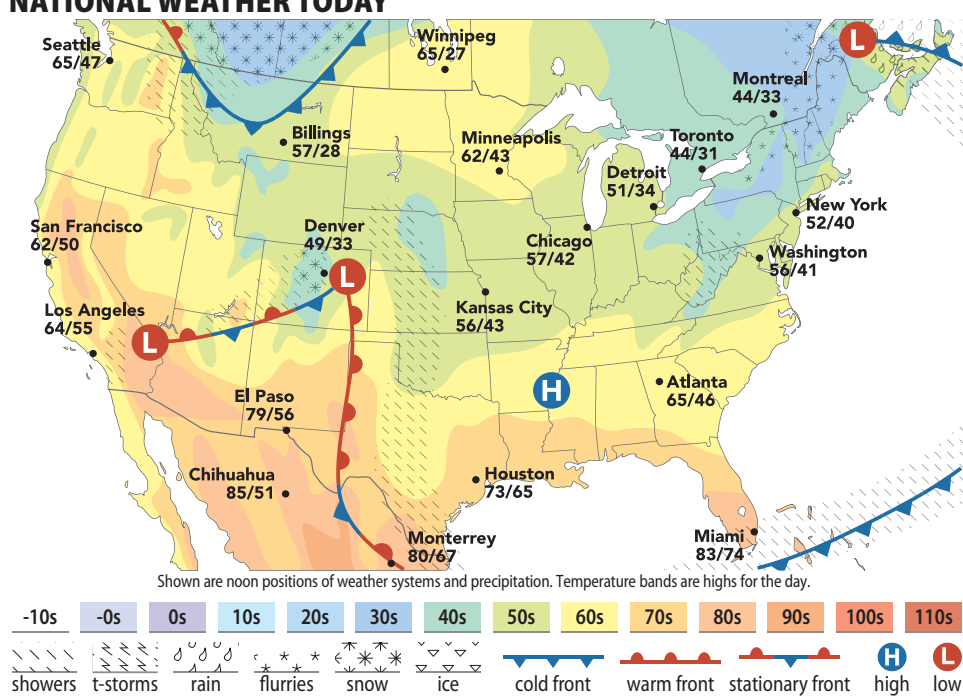
Northern Eurasia was especially hot, but some areas were cooler than average, including Western Canada, parts of Brazil, Northern India and Southeastern Australia.

NATIONAL EXTREMES

Yesterday's National Extremes: (for the 48 contiguous states)

High 92° in Phoenix, Ariz. Low -8° in Burgess Junction, Wyo.

NATIONAL WEATHER TODAY



IN BRIEF

Cattle in Oregon found dead amid strange circumstances

PRINEVILLE — Cattle in Oregon are again showing up dead under strange circumstances.

Over the past three months, seven animals have been found mutilated on ranch land in central Oregon's Crook County, the *Northwest News Network* reported Tuesday, April 20. In most cases, the dead animal's sex organs, tongue or eyes are cut away cleanly and there is no blood.

The cases call to mind similar discoveries of five mutilated bulls in 2019 in Harney County, where five bulls were found dead in a 2-mile radius with their sex organs and tongues removed. There have also been cases in recent years in Wasco, Umatilla, Wheeler and Lake counties in recent years. There have also been cases reported in Arizona.

Similar cases of mutilated livestock and even elk and deer have surfaced periodically across the country and, in the 1970s, a rash of livestock

mutilations across the U.S. West and Midwest struck fear in rural areas.

Thousands of cattle and other livestock ranging from Minnesota to New Mexico were found dead with their reproductive organs and sometimes part of their faces removed.

In the current Oregon cases, the sheriffs from several affected counties are trying to coordinate and share information, the network reported. Harney County in 2019 also worked with the Oregon State Police to try to crack the mystery.

The theories range from scavengers such as carrion bugs eating the carcasses to people attacking the animals to cause financial harm to ranchers.

"It's upsetting, because, again, it's our livelihood. It's how they make their money and how they feed their families and support themselves," Crook County Undersheriff James Savage said of the ranchers who lost animals most recently.

— Associated Press

EAST OREGONIAN
— Founded Oct. 16, 1875 —
211 S.E. Byers Ave., Pendleton 541-276-2211
333 E. Main St., Hermiston 541-567-6211
Office hours: Monday through Friday, 8 a.m. to 5 p.m.
Closed major holidays

EastOregonian.com

In the App Store:
EO **EO**
E-EDITION

East Oregonian (USPS 164-980) is published Tuesday, Thursday and Saturday, by the EO Media Group, 211 S.E. Byers Ave., Pendleton, OR 97801. Periodicals postage paid at Pendleton, OR. Postmaster: send address changes to East Oregonian, 211 S.E. Byers Ave., Pendleton, OR 97801.
Copyright © 2021, EO Media Group

Circulation Dept.
For mail delivery, online access, vacation stops or delivery concerns call 800-781-3214

SUBSCRIPTION RATES

	Local home delivery	Savings (cover price)
EZPay	\$10.75/month	50 percent
52 weeks	\$135	42 percent
26 weeks	\$71	39 percent
13 weeks	\$37	36 percent

Single copy price:
\$1.50 Tuesday, Thursday and Saturday

ADVERTISING

Regional Sales Director (Eastside) EO Media Group:

- Karrine Brogoitti
541-963-3161 • kbrogoitti@eomediagroup.com

Multimedia Consultants:

- Kelly Schwirse
541-564-4531 • kschwirse@eastoregonian.com
- Audra Workman
541-564-4538 • aworkman@eastoregonian.com

Business Office

- Dayle Stinson
541-966-0824 • dstinson@eastoregonian.com

Classified & Legal Advertising
1-800-962-2819 or 541-278-2678
classifieds@eastoregonian.com or legals@eastoregonian.com

NEWS

- To submit news tips and press releases: call 541-966-0818 or email news@eastoregonian.com
- To submit community events, calendar items and Your EO News: email community@eastoregonian.com or call Renee Struthers at 541-966-0818.
- To submit engagements, weddings and anniversaries: email rstruthers@eastoregonian.com or visit eastoregonian.com/community/announcements
- To submit sports or outdoors information or tips: 541-966-0838 • sports@eastoregonian.com

COMMERCIAL PRINTING
Commercial Print Manager: Holly Rouska
541-617-7839 • hrouska@eomediagroup.com