INSURANCE REQUIREMENT PAYMENT AMENDMENT

This agenda item proposes amending the Access & Habitat (A&H) project compensation structure to better support landowners in meeting required insurance obligations. The amendment increases the administrative insurance budget from 3,000 dollars to 20,000 dollars per year for three years and adds an enhanced insurance-consultation payment option: $100 for working with an existing insurance agent and a new $500 option for landowners needing to secure a new agent. In addition, the amendment raises the annual maximum landowner payment from $35,000 to $50,000 to ensure that the program remains attractive and financially viable for participants who are currently near the cap.

BACKGROUND

The Department of Administrative Services (DAS) requires insurance for all grant programs, with specific coverage determined by each project's proposed activities. In response, the A&H Program established payments to compensate landowners for the time and expenses associated with obtaining the required insurance for access projects. Two recent developments now necessitate an amendment to that payment framework. First, an A&H grantee was recently informed that their insurer would not cover recreational access, ultimately requiring the landowner to change carriers to remain in the program. Second, many landowners in eastern Oregon are encountering significantly higher insurance costs due to the need for additional coverage related to public recreational use of their lands. These issues highlight increasing financial and administrative burdens for participating landowners and underscore the need to update the current compensation plan.

ANALYSIS

A&H projects are required to maintain Commercial General Liability insurance with minimum coverage of 1 million dollars per occurrence and 2 million dollars aggregate, listing ODFW as both an additional insured and certificate holder. This requirement introduces a new and sometimes substantial cost for cooperating landowners, creating a potential barrier to continued or future participation in A&H access agreements.

To evaluate emerging challenges related to insurance availability and cost, the Department consulted with DAS Risk Management and Willis Towers Watson (WTW), the State of Oregon's insurance broker. WTW reported that A&H-style public access programs are common nationwide, with roughly 25 to 30 states operating similar initiatives. They found that insurance capacity still exists—demonstrated by the recent A&H grantee who successfully changed carriers when their previous insurer declined to cover recreational access. WTW does not anticipate widespread refusal by insurers to cover public recreation; however, they emphasized that variability among carriers and underwriters means isolated challenges are likely to continue.

Insurance underwriters evaluate several factors when considering landowner participation in public hunting access programs, including firearms-related exposure, general public access, defense costs, and the broad indemnification and liability requirements included in A&H agreements. Underwriters may become more cautious when land use shifts from passive ownership to "active recreational risk," even when no fee is charged, because structured or promoted public recreation increases exposure to accidents, claims, and duties to warn of hazards. While Oregon's recreational immunity statutes mitigate some risk, each underwriter makes independent determinations.

Experience within the program shows a clear divide among landowners. Larger landowners—particularly timber companies—often already carry the necessary recreational-use coverage, making the addition of ODFW a minor administrative step. In contrast, many farm and ranch landowners face significantly higher insurance costs when adding public recreation to their existing policies. Recent examples, such as the Heppner RHA landowners, show new insurance costs of $600 to $900 annually, representing a meaningful burden.

To address these growing costs and administrative demands—and to ensure continued landowner participation—the following amendments to the existing support measures are proposed.

Proposed Amendments

- $500 incentive to compensate first-year efforts to locate a qualified insurance agent for recreational access coverage.
- Coverage of the full cost of acquiring required insurance and adding ODFW as an additional insured for the duration of the agreement (currently $0 to $900 annually).
- Increase in the maximum annual landowner payment from $35,000 to $50,000 to maintain program attractiveness for landowners near the existing cap.

Current Support Measures

- 100-dollar first-year incentive for consulting with an insurance agent.
- Coverage of costs for listing ODFW as an additional insured (typically $0 to $40 annually).
- Limited assistance for landowners lacking sufficient liability insurance.

These funds are intended as a short-term solution to support initial compliance. Future project renewals will incorporate required insurance costs directly into project applications.