

Senators demand crackdown on wildfire “prediction markets”



But its primary rival, Polymarket, has taken a different approach. A spokesperson for Polymarket told Ars in an emailed statement that the company does not “profit from outcomes,” adding that people “come to Polymarket for information.”

“While we are not blind to the risks, removing these markets does not prevent a tragedy but makes the most accurate information less accessible to the people who need it most,” he wrote.

In the same email, the spokesperson also noted “on background”—a condition to which Ars did not agree—that “Polymarket does not currently have any markets on wildfires and has not for some time.”

The spokesperson declined to respond to Ars’ follow-up questions about whether Polymarket was claiming that, by definition, it provides “the most accurate information” to people experiencing a wildfire.

Perverse incentives

For their part, wildfire experts say that they are appalled by the mere existence of prediction markets that allow for trading on these disasters.

“[Such markets] could create a perverse incentive for arson or other destructive activities,” Michael Gollner, a professor at the UC Berkeley Fire Research Lab, emailed Ars. “We should not focus our energy on monetizing the outcome of devastating natural disasters. Instead, we should focus our efforts on mitigating these events with targeting investments before they start so that our communities can become more resilient.”

Riva Duncan, the president of Grassroots Wildland Firefighters, a nonprofit organization made up of current and former federal wildland firefighters, said her community is “pretty disgusted” by these betting markets.

“To think there are people hoping to make money off tragedy is beyond comprehension,” she emailed Ars. “They should ask some of the folks in Spokane who just lost their homes how they feel about it.”

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