

Winter 2023

COMMON GROUND



Department of
Consumer and
Business Services



Working together to help Oregonians fulfill their financial goals

Administrator's Avenue



Greetings, we have had a busy winter season with significant storm activity and related messaging to deliver to consumers. We have made use of an array of resources to get that

messaging out through our press releases and social media channels. Consumers have recently found information about the impacts of floods, cold weather, and normal business interruptions related to financial products and insurance policies.

We also continue to make progress on our diversity, equity, and inclusion (DEI) initiatives. Over the past quarter we have updated our recruiting materials to make them more accessible and changed our management team's position descriptions to better describe the role our managers play in furthering our DEI initiatives. From an external perspective, our sponsorship program plays a key role in furthering our initiatives and education to traditionally underserved communities. The program awards up to five \$25,000 contracts to organizations that help underserved communities, which include Native Americans, Asians and Pacific Islanders, other people of color, women, LGBTQ+ people, survivors of domestic violence, immigrants and refugees, youth who are underserved, previously incarcerated people, people with disabilities, and seniors. You can find more details on the sponsorship program on our website.

Our education and engagement team also visited all 36 counties in 2023 to provide information to consumers on product offerings in the state and to enhance fraud awareness. I was fortunate to be able to present on a key securities fraud case as a part of AARP Scam Jam in Medford, which was attended by approximately 100 seniors.

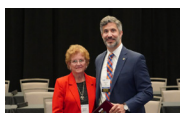


We continue to give consumers the tools they need to prevent fraud, such as warnings about cryptocurrency, artificial intelligence and impersonation scams, and romance scams. We plan to be back in all 36 counties again in 2024 and look forward to continuing to engage consumers on the important issues they face.

We hope you enjoy this edition of Common Ground.

TK Keen, Administrator
Oregon Division of Financial Regulation

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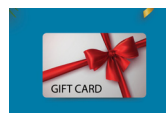
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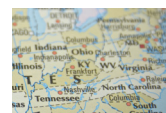
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Oregon Insurance Commissioner Andrew R. Stolfi honored with National Consumer Advocacy Award



“Commissioner Stolfi has been open, transparent, and committed to a participatory process in lifting up consumer voices and concerns at the NAIC,” said NAIC Consumer Representative Wayne Turner, a senior attorney for the National Health Law Program. “He embodies the principle that consumer protection is the core of state insurance regulation.”

Transparency, public engagement, and consumer protection are hallmarks of Stolfi’s service as Oregon insurance commissioner. For example, DCBS conducted a comprehensive review of insurer compliance with

Oregon Department of Consumer and Business Services (DCBS) Director and Insurance Commissioner Andrew R. Stolfi was awarded the Bonnie Burns Excellence in Consumer Advocacy Award by consumer representatives to the National Association of Insurance Commissioners (NAIC).

Stolfi was given the award Nov. 30 at the NAIC fall national meeting. Stolfi chairs the NAIC’s Consumer Liaison Committee, which provides a forum for consumer views on insurance regulatory issues at the NAIC. He also serves as chair of the NAIC’s Consumer Board of Trustees.

The Bonnie Burns Excellence in Consumer Advocacy Award recognizes the state regulator who NAIC consumer representatives believe has most effectively represented and advanced the interests of consumers in NAIC proceedings. Stolfi has championed reform measures designed to maximize the value of Consumer Liaison Committee meetings and provide for meaningful interactions between regulators and NAIC consumer representatives.

Oregon’s Reproductive Health Equity Act. The department [publicly posted detailed reports](#), explanatory materials, insurer responses, corrective action plans, and consumer resources to address noncompliance and ensure that Oregon residents have full access to health services they are entitled to under the law.

“My name may be on this award, but I share this honor with all of the employees of DCBS who strive every day to better the lives of people in Oregon,” Stolfi said. “Consumer protection and empowering the consumer voice are key pillars of our jobs, which makes this recognition so incredibly meaningful. I also couldn’t be more thrilled to receive an award from and in the name of Bonnie Burns, who is quite simply a consumer advocacy legend.”

DCBS continues to provide [crucial support](#) to Oregon residents affected by the catastrophic 2020

wildfires. The department has also prioritized the fair treatment of consumers in the purchase and pricing of auto insurance through recent legislative proposals that would end unfair discrimination by eliminating the use of non-driving-related socioeconomic factors in auto insurance. Also, the department has worked to enhance consumer disclosures on homeowners insurance policies for cancellations and non-renewals through recently passed Senate Bill 82 (2023).

“Oregon Consumer Justice congratulates Commissioner Stolfi on this well-deserved award,” said Oregon Consumer Justice Executive Director Jagjit Nagra. “We appreciate Commissioner Stolfi's leadership covering a wide range of consumer protection initiatives that put people first. His persistence over several legislative sessions to address racial and gender discrimination embedded in auto insurance pricing is admirable. We look forward to continued partnership with Commissioner Stolfi and his team on issues impacting Oregon consumers.”

About the award

The Bonnie Burns Excellence in Consumer Advocacy Award is given to a state insurance regulator who has most effectively represented and advanced the interests of consumers in NAIC. In 2022, consumer representatives renamed the award after longtime advocate Bonnie Burns. Burns is a nationally recognized expert on Medicare Supplement Insurance (Medigap) and long-term care insurance, and currently serves as a consultant with California Health Advocates (CHA) and the national SHIP Resource Center. She has served as a NAIC consumer representative since the beginning of the program in 1992 and has served multiple terms on the board of the program.



Many new consumer protection laws went into effect Jan. 1, 2024



On Jan. 1, 2024, many new laws immediately took effect. The Oregon Division of Financial Regulation (DFR), part of the Oregon Department of Consumer and Business Services (DCBS) – the state’s largest consumer protection and business regulatory agency – presents an easy-to-follow guide on the new consumer protection laws.

Here’s a look at what took effect on Jan. 1:

Senate Bill (SB) 82 strengthens consumer protections for homeowners dealing with wildfire-related issues. It requires insurance companies to explain, using property-specific characteristics, why a policy might not be getting renewed or why a rate is going up, and to reflect in rating and underwriting plans how that insurer addresses or considers wildfire risk mitigation actions. These actions could include creation of defensible space, home hardening, and community-based mitigation activities. It also requires insurers to allow up to 36 months to repair, rebuild, or replace damaged or lost property if it was directly related to a fire that was subject of an order under the Emergency Conflagration Act. This bill also prohibits insurance companies from using statewide wildfire risk maps published by the Oregon Department of Forestry as a basis for canceling or declining to renew a policy or increasing premiums.

SB 192 directs the Oregon Prescription Drug Affordability Board to develop a plan for upper payment limits to contain costs of prescription drugs in the state, requires pharmacy benefit managers to provide price transparency reports to DCBS, expands health insurance company transparency reporting, and makes other technical changes to strengthen DCBS prescription drug pricing programs. Pharmacy benefit managers will report annually to DCBS about certain rebates, fees, price protection payments, and other payments received from prescription drug manufacturers, shedding more light on the effect of industry practices on the prices Oregonians pay for drugs.

SB 536 establishes new disclosure and care obligations for the sale of annuities in Oregon and permits the sale of registered index-linked annuities in the state. Producers and brokers must also complete, at a minimum, a four-hour training course with a continuing education provider that has registered with DCBS.

SB 628 requires health benefit plan coverage of certain treatments for pediatric autoimmune

neuropsychiatric disorders associated with streptococcal infections.

SB 797 requires health insurance policies that cover expenses of hospital, medical, or surgical services to cover medically necessary prosthetic and orthotic devices.

SB 1041 prevents group and individual health benefit plans that cover supplemental and diagnostic breast examinations from imposing deductibles, coinsurance, copayments, or any other out-of-pocket expenses on those services.

SB 1529 passed in 2022 with a delayed implementation date and was amended in 2023 by **House Bill (HB) 3008**. It requires health benefit plan coverage of three primary care or behavioral health visits with a copay of no more than \$5 and requires health benefit plan issuers to automatically assign members to primary care providers (PCP) if they do not select a PCP after the first 90 days of the plan year.

HB 2002 establishes a right to make decisions about an individual's reproductive health and allows any person to bring a civil action against a public body to enforce this right. The bill also establishes a statutory requirement for health benefit plans to cover gender-affirming treatment. It also prohibits medical malpractice insurers from taking adverse action against health care providers for providing reproductive health or gender-affirming care services that are legal in Oregon.

HB 2052 requires data brokers to register with DCBS before collecting, selling, or licensing brokered personal data in Oregon. DFR published a [press release](#) on this new law on Dec. 13.

HB 2282 updates the Oregon state law codification of the Affordable Care Act preventive services coverage requirements to ensure access to this coverage in the event of a successful legal challenge to the ACA requirements.

HB 2574 prohibits cost sharing for health benefit plan coverage of post-exposure prophylactic drugs for the prevention of HIV. The bill also requires all Oregon hospitals to have policies and procedures in place for the dispensing of post-exposure prophylactic (PEP) drugs and requires the Oregon Health Authority to provide PEP drugs to Type A and B rural hospitals at no cost.

HB 2982 requires homeowners insurance issuers to offer 70 percent of property contents coverage without requiring policyholders to submit an inventory if a total loss occurs due to a declared disaster.

HB 2994 expands the coverage of bilateral cochlear implants, hearing aids, and other hearing assistive technology. Also, the bill requires health benefit plans to reimburse the costs associated with these services if they are prescribed by a licensed health care professional, requires reimbursement even if over-the-counter products are available, and requires specific information in adverse benefit determination notices related to claims for hearing-related items and services.



Get your home and vehicle ready for freezing temperatures



Winter weather can hit any time, so now is the perfect time to prepare for the possibility of snow, ice, or other disruptive weather. The Willamette Valley, Oregon coast, and mountain passes have already been hit with large amounts of rain due to the atmospheric river that recently hovered over Oregon. However, when the weather changes, it can lead to damage due to falling trees or limbs, burst pipes, ice dams on your roof, cracks in your home's foundation, car crashes, and more. Some of these losses may be covered by your insurance policy.

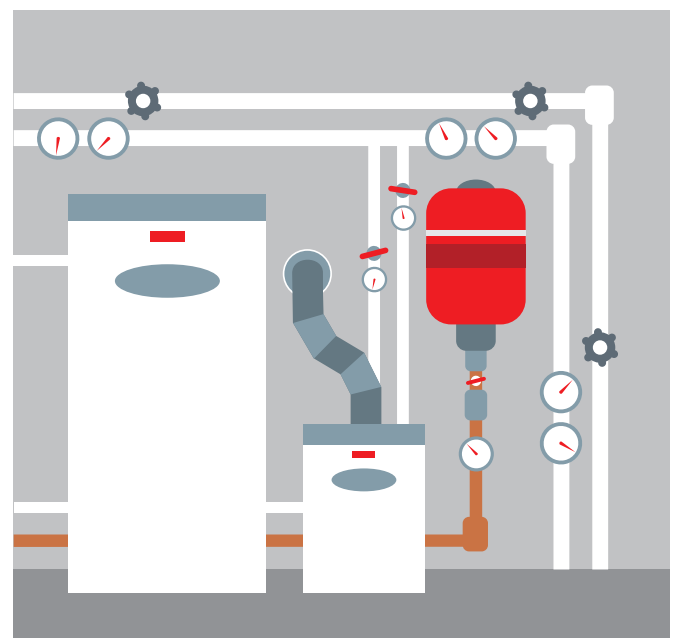
Before your home, vehicle, or possessions are damaged by storms and winter weather, the Oregon Division of Financial Regulation recommends calling your insurance company or agent to make sure you have the right types and amounts of coverage, as well as familiarize yourself with applicable exclusions and deductibles.

There are several things you can also take action to help prevent losses from occurring, including:

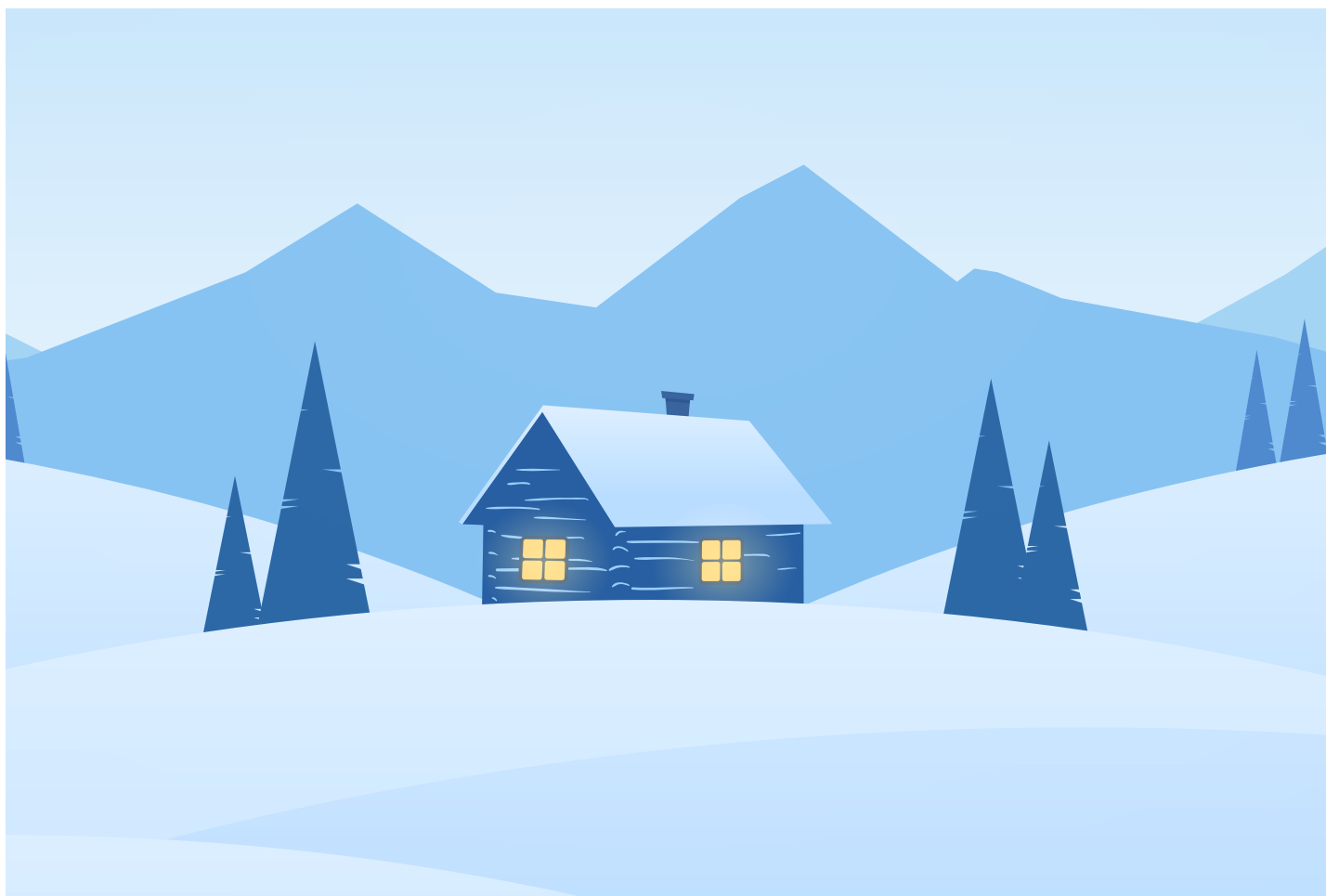
- Inspect and maintain your foundation, gutters, and roof
- Insulate and maintain water pipes
- Monitor tree health and trim them as needed
- Prepare your vehicle for winter driving

Some preventive items, including insulated covers for outdoor water faucets, can be found now at stores, but when the weather turns cold, they may be harder to find.

Before submitting a claim, confirm applicable coverage and determine whether the benefits of filing a claim for the damage outweigh the costs. Make sure to consider your deductible as part of that analysis. The amount of damage could be less than or close to your deductible. Then, determine if a claim will be beneficial to your situation. A reported claim could affect your future premium or ability to obtain coverage.



Homeowners



A typical homeowners policy covers damage to the home caused by falling trees or limbs and weight of ice and snow. If your home received minor damage, such as the wind blowing a few shingles off your house, your homeowners insurance will probably replace the damaged shingles, but not the entire roof.

Winter storms can also create sudden damage caused by an ice dam on the roof or pipes bursting due to freezing. This damage is typically covered and can be extensive – if a pipe burst floods a home – or minor, such as a leak from an ice dam causing a stain on a ceiling.

If your home sustained severe damage, and it is considered uninhabitable, and your policy has [additional living expenses coverage](#), it can help cover the extra costs of lodging, meals, and even pet boarding

while you are unable to live in the home. Those with renters insurance can also take advantage of this coverage if it is contained in their policies.

If your home lost power and received only minor damage, it will probably still be considered safe to live in, so additional living expenses coverage may not apply. Check with your insurance company or agent to confirm your coverage.

Coverage may be available for food spoilage due to a power outage, but, if this is the only loss, your deductible may be more than your loss and it will not make sense to file a claim. However, if you need to file a claim for another type of damage to your home, food spoilage can typically be added to the claim you need to file for repairs.

Auto

There are three coverage options on an auto insurance policy that typically apply to winter storms:

- Comprehensive covers damage caused by falling trees or limbs. This includes while your vehicle is parked inside a garage. Homeowners insurance excludes coverage for vehicles, even while parked inside your garage.
- Collision covers damage to your vehicle that occurs while driving. This includes hitting storm debris or sliding on ice.
- Liability covers damage you accidentally caused to another person's property or to a person injured in an accident.

Once again, if the cost to repair your vehicle is less than or close to your deductible, you may not want to file a claim.

Freezing temperatures can affect your car and wintry driving conditions are often less than ideal. This is a

good time to have your vehicle's tires, hoses, anti-freeze, and windshield wipers looked at and possibly replaced. You would not want to be stuck in the ice somewhere over something that could have been prevented.

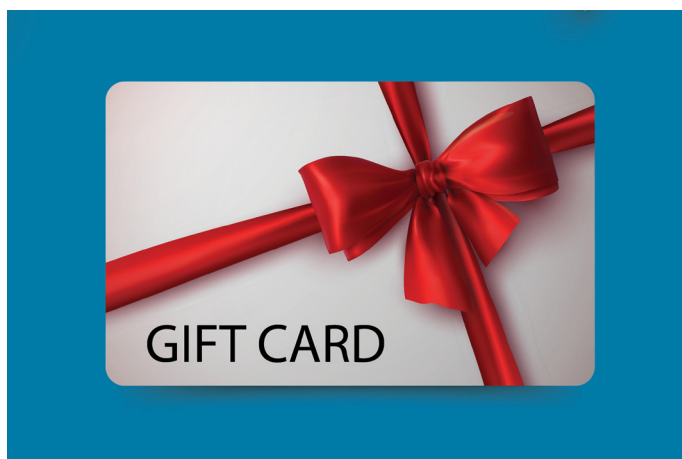
Remember, you want to make sure you have the right types and amounts of coverage and take steps to reduce your risks. Check with your insurance agent or company to determine your policy coverages, exclusions, and deductibles.

If you have questions or concerns, the division's consumer advocates are here to help. You can contact the division's advocates by phone at 888-877-4894 (toll free) or by email at dfr.insurancehelp@dcbs.oregon.gov.

Visit dfr.oregon.gov or the division's [storm insurance resource page](#) for more information.



Oregon Division of Financial Regulation reminds people to be careful of gift card scams



The 2023 holiday shopping season may be behind us, but the Oregon Division of Financial Regulation (DFR) wants to remind people to watch out for financial scams that can target their pocketbook, particularly gift card scams.

Gift card scams often start with a call, text, email, or social media message. Scammers will say anything to get you to buy gift cards – such as Google Play, Apple, or Amazon cards – and hand over the card number and personal identification number (PIN) codes.

According to the Federal Trade Commission, here are some common tactics scammers use:

1. **Scammers will say it is urgent.** They will say to pay them right away or something terrible will happen. They don't want you to have time to think about what they are saying or talk to someone you trust. Slow down. Don't pay. It is a scam.
2. **Scammers will tell you which gift card to buy (and where).** They might say to put money on an eBay, Google Play, Target, or Apple gift card. They might send you to a specific store – often Walmart, Target, CVS, or Walgreens. Sometimes, they will tell you to buy cards at several stores, so cashiers will not get

suspicious. The scammer also might stay on the phone with you while you go to the store and load money onto the card. If this happens to you, hang up. It is a scam.

3. **Scammers will ask you for the gift card number and PIN.** The card number and PIN on the back of the card lets scammers get the money you loaded onto the card – even if you still have the card itself. Slow down. Don't give them those numbers or send them a photo of the card. It is a scam.

Scammers tell different stories to get you to buy gift cards so they can steal your money.

- Scammers say they are from the government. They say they are from the IRS, the Social Security Administration, or even the Federal Trade Commission. They say you have to pay taxes or a fine. However, government agencies will not contact you to demand immediate payment, and they never demand payment by gift card. It is a scam.
- Scammers say they are from tech support. They say they are from Microsoft or Apple and there is something wrong with your computer. They ask for remote access and say to pay them to get it fixed. Don't give them access to your computer. It is a scam.
- Scammers say they are a friend or family member with an emergency. If the scammer uses voice cloning, they may even sound just like your loved one. They ask you to send money right away – but not to tell anyone. It is a scam. If you are worried, contact the friend or relative to check that everything is all right.
- Scammers say you have won a prize. But first, they tell you to pay fees or other charges with a gift

card. It is a scam. No honest business or agency will ever make you buy a gift card to pay them for a prize. And did you even enter to win that prize?

- Scammers say they are from your utility company. They threaten to cut off your service if you don't pay immediately. Utility companies don't work that way. It is a scam.
- Scammers ask for money after they chat you up on a dating website. Romance scammers will make up any story to trick you into buying a gift card to send them money. Slow down. Never send money or gifts to anyone you have not met in person – even if they send you money first.
- Scammers send a check for way more than you expected. They tell you to deposit the check and give them the difference on a gift card. Don't do it. It is a scam. That check will be fake and you will be out that money.

To help prevent yourself from getting scammed, DFR offers these reminders:

- Don't answer unknown numbers – block unwanted calls and text messages.
- Don't give personal identifying information to unsolicited calls, texts, or emails. Hang up, look up their number, and call them to verify.
- Be skeptical. Ask questions and be wary of offers “too good to be true.”
- Resist the pressure to act immediately. Scammers use urgency as a tool.
- Stop and talk to someone you trust. Talking about it can help you spot the scam.
- Never pay someone who insists you pay with a gift card, money transfer, or cryptocurrency.

Remember, if it is too good to be true, it probably is.

If you feel you may have been scammed, the division's consumer advocates may be able to help. They can be reached at 888-877-4894 (toll-free) or dfr.financialserviceshelp@dcbs.oregon.gov.



**How to spot, avoid,
and report scams**
dfr.oregon.gov

DFR | Division of
Financial
Regulation
Department of Consumer
and Business Services

Oregon DFR joins 29 state regulators in settlement with Safeguard Metals in \$68 million fraud targeting elderly adults



The Oregon Division of Financial Regulation (DFR) announced on Oct. 26, 2023, that, in partnership with the U.S. Commodity Futures Trading Commission (CFTC) and 29 other state regulators, it has reached a settlement with Safeguard Metals LLC and Jeffrey Ikahn in a [federal lawsuit](#). The lawsuit, filed in the U.S. District Court for the Central District of California in February 2022, alleged that Safeguard and Ikahn engaged in a \$68 million fraudulent scheme that targeted the elderly.

Between October 2017 and July 2021, Safeguard and Ikahn deceived more than 450 customers nationwide into purchasing precious metals through false and misleading statements. This included misrepresenting Safeguard’s and Ikahn’s credentials and the risk and safety of customer investments in traditional retirement accounts. In Oregon, a total of 11 investors have been identified with total investments of \$2.3 million.

Consumer restitution and civil money penalties will be determined in the next phase of the litigation.

“Safeguard Metals engaged in fraudulent and deceptive practices to solicit millions of dollars primarily from elderly and retirement-aged individuals for profit. As a result, customers suffered substantial losses on their retirement investments,” DFR Administrator TK Keen said. “This settlement reflects the work DFR continues

to do to hold bad actors in the precious metals industry accountable to consumers.”

The order also finds that the defendants charged an average markup of 51 percent to 71 percent on the precious metals, which was substantially more than the amounts the defendants represented in Safeguard Metals’ customer agreements as “operating margins” of 23 percent to 42 percent. Safeguard Metals steered more than 97 percent of its sales from mostly inexperienced investors into overpriced silver coins that had significantly higher markups than gold coins and generated approximately \$66 million for Safeguard.

The defendants agree to the use of the consent order’s findings and conclusions in this action and any subsequent actions between the parties, but otherwise, neither admit nor deny the findings.

As part of the court approved settlement, Safeguard and Ikahn agreed to a permanent injunction that enjoins them from violating several federal and state laws, including those prohibiting commodities fraud, securities and investment adviser fraud, and providing unlicensed investment advice. In addition, Ikahn agreed to an order barring him from any position of employment, management, or control of any investment adviser, broker-dealer, or commodity adviser in Oregon. Further he agreed to orders barring him from the securities industry in other states, and to a federal commodity trading ban.

Safeguard and Ikahn also agreed to settle a federal lawsuit filed by the Securities and Exchange Commission (SEC) alleging violations of federal securities laws. DFR thanks the CFTC, other state regulators, and the SEC for their commitment to consumer protection in this action.

DFR put out a [news release](#) in February 2022 announcing the lawsuit.

DFR enters multistate settlement with ACI Payments Inc. for unauthorized transactions



The Oregon Division of Financial Regulation (DFR) joined 43 other state financial agencies in reaching a settlement with ACI Payments Inc. (ACI), for erroneously initiating electronic transactions totaling \$2.3 billion from the accounts of 480,000 mortgage-holders nationwide.

State regulators levied \$10 million in fines through a multistate enforcement action. In Oregon, there were over 13,000 erroneous ACH entries affecting nearly 5,000 accounts. The dollar value of transaction in Oregon alone was over \$23 million. Additionally, 50 state attorneys general, including the Oregon Attorney General Ellen Rosenblum, levied an additional \$10 million in fines to ACI, in coordination with state regulators.

Before the settlement, the erroneous charges were corrected by ACI.

ACI Payments, a subsidiary of ACI Worldwide Corp., is a state-regulated money transmission business licensed in Oregon and nearly all other U.S. states (Nationwide Mortgage Licensing System ID 936777). ACI acts as a vendor for mortgage servicing companies by processing borrowers' mortgage payments through its Speedpay platform. State regulators determined that ACI erroneously used live customer data in a test of its Speedpay platform, causing unauthorized mortgage

payments to be processed from customer accounts. State regulators commenced a multistate money transmission investigation reviewing all aspects of the event. The state regulators believe the error was due to defects in ACI's privacy and data security procedures and technical infrastructure.

“DFR will use its enforcement authority against companies that fail to have sufficient data security and internal controls in place to protect Oregon consumers,” DFR Administrator TK Keen said. “This settlement demonstrates how state regulators and state attorneys general can work together to hold companies accountable, and to ensure consumers can confidently and securely pay their loans online without fear of unauthorized payments being made on their behalf.”

This enforcement action orders the following of ACI Payments Inc.:

- Risk and compliance programs – Maintain a comprehensive enterprise risk management program and a third-party risk management program tailored to the nature, size, complexity, and risk profile of ACI.
- Agreement monitoring – Regular reporting (for two years) to a state regulator monitoring committee to ensure both the adequacy of the risk management programs and compliance with the order.
- Administrative costs and penalties – Payment of \$10 million in fines for administrative costs and penalties.

Here is the settlement agreement and order: <https://tinyurl.com/5dcb6z3n>.

To see the division's latest enforcement news, visit its quarterly enforcement action newsletter, [Taking Action](#).