STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: AMERICAN STRATEGIC INSURANCE CORP., a Florida Corporation, Respondent.	Case Nos. INS-24-0081 ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 ("Insurance Code"), has conducted an investigation into the activities of American Strategic Insurance Corp. ("Respondent") and determined that Respondent engaged in violations of the Insurance Code.

Respondent, without admitting or denying the Director's Findings of Fact or Conclusions of Law, wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent's principal place of business is 2 ASI Way N, St. Petersburg, FL 33702.

2. Respondent has been licensed in Oregon as a Property & Casualty insurer since January 16, 2008. Respondent's NAIC number is 10872.

<u>SB 82 Notice Deficiencies</u>

3. In May 2023, Oregon enacted Senate Bill 82 ("SB 82"). SB 82 establishes

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

certain requirements for insurers that cancel, decide not to renew, and/or increase the premiums of homeowner insurance policies for reasons materially related to wildfire risk. This includes the requirement that insurers provide affected insureds with notice that describes the property-specific characteristics related to wildfire risk that resulted in the cancellation, decision not to renew, and/or premium increase ("SB 82 Notice").

4. SB 82 went into effect on January 1, 2024.

5. From January 1, 2024 through August 15, 2024, the Division of Financial Regulation ("Division") received 22 complaints relating to Respondent's cancellation or non-renewal of homeowner insurance policies due to wildfire risk.

6. In the course of investigating the complaints, the Division discovered that:

A. Respondent's SB 82 Notices to Oregon consumers for wildfire risk based on wildfire risk score were not sent via Director-approved forms; and

B. Respondent's SB 82 Notices to Oregon consumers for wildfire risk based on wildfire risk score, including those associated with each complaint, failed to describe the property-specific characteristics that resulted in Respondent's decision to cancel or decline to renew the policies.

7. While Respondent's SB 82 Notices were pending approval with the Division, Respondent paused wildfire non-renewal from February 29, 2024 to April 3, 2024 for new business and from April 29, 2024 to June 3, 2024 for renewal business. Respondent began sending SB 82 Notices to Oregon consumers on Director-approved forms on April 3, 2024, for new business, and June 3, 2024, for renewal business.

8. The Division determined that Respondent's SB 82 Notices for wildfire risk based on wildfire risk score remained deficient because they failed to describe the required property-specific characteristics.

9. From August through October 2024, the Division repeatedly notified Respondent that its SB 82 Notices were deficient and directed the company to include the

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

required property-specific characteristics in them.[1]

Failure to Respond to Inquiries

10. Beginning in or around September 2024, Respondent stopped responding to the Division's inquiries regarding wildfire risk-related homeowner insurance complaints it continued to receive. This impeded the Division's ability to investigate and resolve these complaints.[2] In particular:

A. On September 17, 2024, the Division directed follow-up inquiries to Respondent in connection with a complaint filed by Oregon consumer "SW." The Division asked Respondent to provide its underwriting guidelines, explain how it determined the wildfire risk score that led to its decision not to renew SW's homeowner insurance policy, and provide a breakdown of the risk score for SW's policy. Respondent had a response deadline of September 24, 2024 but failed to provide a timely response;

B. On September 26, 2024, the Division directed Respondent to address each issue raised in the complaint filed by Oregon consumer "SJ." Respondent had a response deadline of October 18, 2024 but failed to provide a timely response;

C. On October 3, 2024, the Division directed Respondent to address each issue raised in the complaint filed by Oregon consumer "KC." Respondent had a response deadline of October 25, 2024 but failed to provide a timely response;

D. On October 4, 2024, the Division directed Respondent to address each issue raised in the complaint filed by Oregon consumer "SE." Respondent had a response deadline of October 28, 2024 but failed to provide a timely response;

E. On October 7, 2024, the Division directed Respondent to address each

---

[1] Following the issuance of a Notice Order in this matter, Respondents modified its SB 82 Notices to the Director's satisfaction and re-issued compliant SB 82 Notices to the Oregon consumers that had received deficient notices in 2024.

[2] Following the issuance of the Notice Order, Respondent responded to the Division's complaint-related communications in or around December 2024.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

issue raised in the complaint filed by Oregon consumer "DS." Respondent had a response deadline of October 29, 2024 but failed to provide a timely response;

F. On October 10, 2024, the Division directed Respondent to address each issue raised in the complaint filed by Oregon consumer "SS." Respondent had a response deadline of November 1, 2024 but failed to provide a timely response; and

G. On October 15, 2024, the Division directed Respondent to address each issue raised in the complaint filed in connection with Oregon consumer "DC." Respondent had a response deadline of November 6, 2024 but failed to provide a timely response.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

11. By sending notices to Oregon consumers whose homeowner insurance policies were cancelled, or not renewed, due to wildfire risk which failed to describe the property-specific characteristics that resulted in the cancellation or non-renewal of said policies, Respondent violated ORS 742.277(2)(a) in at least 22 instances.

12. By failing to respond to the Division's inquiries relating to its cancellation and/or non-renewal of homeowner insurance policies, as set forth in Paragraph (11), Respondent violated ORS 731.296 in seven instances.

13. Because the Director has reason to believe that Respondent has been engaged, is engaging, and is about to engage in violations of the Insurance Code, the Director may issue an order to Respondent to cease and desist, under ORS 731.252(1).

14. The Director may impose a civil penalty of up $10,000 *per violation* upon any person who violates a provision of the Insurance Code, under ORS 731.988(1).

ORDERS

Now therefore, the Director issues the following Orders:

15. As authorized by ORS 731.252(1), the Director ORDERS Respondent to

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

CEASE AND DESIST from violating ORS 742.277(2)(a) and ORS 731.296.

16. As authorized by ORS 731.988(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $290,000 as follows:

A. $220,000 for violating ORS 742.277(2)(a) in at least 22 instances; and

B. $70,000 for violating ORS 731.296 in seven instances.

17. The Director hereby suspends payment of $90,000 of the CIVIL PENALTY for a period of three years, provided Respondent:

A. Pays the remaining $200,000 of the CIVIL PENALTY pursuant to the terms of this Order;

B. Satisfies the reporting requirements set forth below; and

C. Satisfies all other terms of this Order.

18. The non-suspended portion of the CIVIL PENALTY assessed herein ($200,000) is due and payable at the time Respondent returns this signed Order to the Division.

19. The suspended CIVIL PENALTY ($90,000) will be waived three years from the effective date of this Order, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

20. Within 30 days of the execution of this Order, Respondent shall PROVIDE the Division with documentation detailing the measures and/or trainings it has implemented to prevent the recurrence of violations addressed in this Order. In particular these measures shall ensure that:

A. Respondent's SB 82 Notices continue to satisfy all requirements under Oregon law; and

B. Respondent provides timely, accurate, and complete responses to all

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

Division communications and requests, including, but not limited to, those relating to complaint investigations.

21. The Division may require Respondent to make reasonable modifications to the measures and/or trainings as it deems appropriate.

22. Respondent SHALL provide timely, accurate, and complete responses to all Division communications and requests, including, but not limited to, those relating to complaint investigations.

23. This Order is binding upon Respondent's successors and assigns.

SO ORDERED this 3rd day of June, 2025.

ANDREW R. STOLFI, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

[The remainder of this page intentionally left blank.]

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

CONSENT TO ENTRY OF ORDER

I, John Curtiss, state that I am an officer of Respondent and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent's right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will affect insurance services in Oregon unless such activities are in full compliance with the Insurance Code. Respondent understands that this Consent Order is a public document.

Signature: /s/ John Curtiss

Position Held: National Property Leader

State of Ohio

County of Cuyahoga

Signed or attested before me on this 22nd day of May, 2025

by John Curtiss.

/s/ Molly Forkins
Notary Public

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387