

Spring 2021

COMMON GROUND



DCBS | Consumer and
Business Services

Division of Financial Regulation

Working together to help Oregonians fulfill their financial goals

Administrator's Avenue



Lessons learned help us look ahead

We have learned so much over the past 16 months. 2020 and 2021 have not only changed how we work, but taught us to reconsider how we do our work.

We have learned that we need consistent flexibility and adaptability to the ever-evolving changes that occur around us. We have learned that the work we do is not dependent on set locations, set hours, or set expectations.

As Oregon and the world continue to push toward normal life, I encourage all of us to understand that normal will be different from what it was. We have learned that there is value in choice and that technology provides better ways to serve consumers' insurance and financial services needs while providing safeguards to help them fulfill their financial goals.

Taking a flexible and adaptable approach enables us to consistently focus on Oregon consumers. There are several examples of this from the beginning of the pandemic through last year's wildfire season and into this spring. The expansion of telehealth services, auto premium refunds and credits, loan forbearance, grace periods, foreclosure moratoriums, and extending rebuilding timelines for wildfire victims are just a few of the ways we have shown flexibility and the ability to work together to help Oregonians during the pandemic and in the midst of the natural disasters that occurred around us.

Another way we can help Oregonians be flexible and adaptable is to encourage our family, friends, neighbors, and customers to take time today to get prepared for whatever tomorrow may bring. I encourage all insurance and financial services professionals to have regular conversations with people about preparedness.

The division has developed a number of resources and tips to help Oregonians prepare their homes and finances for the next disaster. Help them see how simple it can be to do a few tasks, such as build a home inventory, create a financial backpack, and review insurance coverage.

These simple tasks can help save time, money, and stress when disaster strikes. The division's resources are free and readily available at dfr.oregon.gov/preparenow.

Wildfire season is here, and now is the time for everyone to get prepared for any disaster. Let's all work together in 2021 to get Oregonians prepared for whatever lies on the horizon.

We appreciate your collaboration and support for all Oregonians. Enjoy this edition of Common Ground.

TK Keen
Administrator
Oregon Division of Financial Regulation

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Two ways to get prepared for disaster today

Wildfire season has arrived and the Oregon Division of Financial Regulation has two ways to help everyone get prepared today.

1. Complete the division's [three tasks to save time, money, and stress](#) when disaster strikes:

Task 1: Build a home inventory

Task 2: Build a financial backpack

Task 3: Review your insurance coverage

Visit dfr.oregon.gov/preporenw for tips and resources to complete each task.

2. Do some yard work with a purpose by creating defensible space around your home.

Remove dry leaves, dead brush, debris, and pine needles from the yard and gutters. Next, trim trees away from homes, barns, and sheds, and place screens over open vents on homes. These tasks reduce the fuels that enable wildfires to spread and give firefighters time to slow the blaze.

Visit the National Fire Protection Association's [free toolkit and resources page](#) for more information on creating defensible space around your home.

The division's [wildfire insurance](#) and [disaster preparedness](#) pages have resources to help people

prepare for and recover from disasters. Everyone is encouraged to use and share these resources with family, friends, neighbors, customers, and colleagues.

The division is also prepared to help people in any language they choose. Visit dfr.oregon.gov/help for more information.



Disaster preparedness

Oregon Insurance Commissioner and Attorney General hosted special wildfire townhall



Oregon Insurance Commissioner Andrew Stolfi and Attorney General Ellen Rosenblum hosted a statewide virtual wildfire insurance town hall on April 29. The event was held ahead of National Wildfire Community Preparedness Day on May 1.

Stolfi and Rosenblum were joined by Oregon State University Fire Program Manager Carrie Berger, Division of Financial Regulation Advocacy and Outreach Manager Tricia Goldsmith, and DFR Property and Casualty Manager Brian Fordham to discuss insurance claims during the rebuilding process, how to avoid scams, and tips to prepare for the 2021 wildfire season.

A lot has happened since the Labor Day wildfires, but the majority of the work still lies ahead. With cleanup progressing and construction crews ramping up in the wildfire damaged areas, the panelists answered questions and provided information to help people work through the recovery process and get ready for the 2021 wildfire season.

These online resources were shared during the event:

Division of Financial Regulation

[The rebuild timeline agreement](#)

[Wildfire insurance resources](#)

[Avoid financial scams](#)

[Get help for insurance issues](#)

[Prepare now](#)

Department of Justice

[Consumer protection](#)

OSU Fire Program

[Wildfire webinars](#)

This was the third wildfire insurance town hall the division hosted since the Labor Day wildfires. Visit the division's [video page](#) to view or share all of the town halls.

Oregon Legislature sets foreclosure moratorium



extended by the governor in 90-day increments until Dec. 31, 2021.

To qualify for the relief, Oregonians are expected to notify their mortgage lender or servicer that they are unable to make mortgage payments because of a COVID-19-related loss of income. They are not required to show proof of their loss of income.

The Division of Financial Regulation encourages its regulated lenders and financial services providers to

continue taking active measures to help people and businesses affected by the pandemic. This includes offering loan forbearance plans, fee waivers, and other deferred payment options to their customers.

For more information about HB 2009, visit oregonlegislature.gov - [HB 2009 overview](#).

For more consumer information and resources, visit dfr.oregon.gov - [COVID-19 mortgages](#).

Earlier this month, Gov. Kate Brown signed into law House Bill 2009, which reinstates a foreclosure moratorium in Oregon. The new law became effective on passage and established a foreclosure moratorium in Oregon until Sept. 30, 2021.

The new law is retroactive to Dec. 31, 2020, when the previous moratorium expired, and it provides foreclosure relief to mortgage holders who do not have a federally backed mortgage. The moratorium can be



Submitting insurance certificates to the CCB is easier with E-Proof

Do you insure contractors licensed with the Construction Contractors Board (CCB)?

Late or forgotten insurance renewals is one of the most common reasons for license suspensions. However, the CCB can process certificates of insurance in one to two business days if you use the E-Proof system.

E-Proof is an online portal on the CCB website for insurance agents. It's an easier, faster way to submit a contractor's proof of insurance coverage to the CCB.

The processing time of one to two business days for certificates of insurance sent to the CCB via E-Proof is

faster than the seven to 10 business days for paper documents.

To access the E-Proof portal, insurance agents can complete and submit the [E-Proof](#) application found on the [CCB website](#). This service is free.

Once the CCB receives the completed E-Proof application, agents will get an email with a link and login information that will allow them to submit the insurance certification via CCB's website portal for agents.

For more information, visit [CCB E-Proof portal](#).





Health insurance companies submitted rate requests to the department's Division of Financial Regulation on May 17. The requested rates are for plans that comply with the Affordable Care Act for small businesses and people who buy their own coverage rather than getting it through an employer.

Over the next two months, the division will analyze the requested rates to ensure they adequately cover Oregonians' health care costs. The division must review and approve rates before they are charged to policyholders.

"2020 was an unusual year with limited in-person medical visits and procedures, telehealth expansion, and COVID

testing and treatment, but we are encouraged by the stable rate change requests from our health insurers," said Insurance Commissioner and DCBS Director Andrew Stolfi. "The initial data reveals that Oregon's reinsurance program, a carrier expanding its coverage statewide, and a new carrier in the small group market are increasing competition and providing multiple health insurance options for people in every part of the state."

The state's health insurance market continues to stabilize and become more competitive. The Oregon Reinsurance Program continues to help stabilize the market, lowering rates by 6 percent for the fourth straight year. PacificSource is expanding to offer individual plans statewide, giving people at least four options in every county. Cigna will be a new carrier for the state, offering small group plans.

Oregonians get early glimpse of 2022 health insurance rates

Oregon consumers can get a first look at requested rates for 2022 individual and small group health insurance plans.

In the individual market, six companies submitted rate change requests ranging from an average 0.1 percent decrease to an average 4.9 percent increase, for a weighted average increase of 1.8 percent. In the small group market, 10 companies submitted rate change requests ranging from an average 3.3 percent decrease to an average 5.2 percent increase, for a weighted average increase of 1.5 percent. [See the 2022 rate request and county coverage chart](#) for more information.



Meanwhile, the COVID-19 open enrollment has enabled an additional 10,000 Oregonians to gain insurance coverage and realize higher savings on their premiums. More than 4 in 5 people in Oregon now qualify for financial assistance in the form of premium tax credits and cost-sharing reductions to reduce the out-of-pocket costs associated with health care.

Virtual public hearings about the 2022 health insurance rates will be held in early July. The dates and a web address to watch the public hearings will be posted at oregonhealthrates.com. At the hearings, each insurance company will provide a brief presentation about its rate requests, answer questions from the division, and hear public comment from Oregonians.

“We encourage all Oregonians to join us for the virtual public hearings and provide feedback on their health insurance plans,” said Stolfi. “We look forward to a thorough public review of these filings as we work to establish next year’s health insurance rates.”

Oregonians are encouraged to comment on rate change requests during the public comment period, which runs through June 29. The public can submit comments at oregonhealthrates.com and during the public rate hearings.

Preliminary decisions are expected to be announced in early July, and final decisions will be made in early August.

Climate change – A systemic risk

The U.S. economy has lost nearly \$1 trillion in weather-related costs during the past 10 years. Unfortunately, Oregon is not immune to the devastating effect of climate change with an estimated \$2 billion in financial losses from the Labor Day wildfires alone.

Climate change poses a serious threat to the sustainability of Oregon's insurance market and its financial system. As the regulator of these markets, the Division of Financial Regulation believes climate change is a systemic risk and its regulated entities are positioned to examine the effect of climate change on their assets, investments, and operations.

Companies, investors, and nonprofits are working together toward climate resilience goals. Last year, Ceres, a nonprofit working with companies and investors, released [A call to action for U.S. financial regulators](#). The report contains specific recommendations for federal and state regulators for protecting the stability and competitiveness of the U.S. economy.

Several state and federal agencies, including the Federal Reserve, the Federal Trade Commission, the Commodities and Futures Exchange Commission, and the National Association of Insurance Commissioners (NAIC), have recognized that climate change poses a risk to the nation's financial systems.

The division serves on the NAIC's Climate Change Executive Committee, which leads the association's climate-related

disclosures work. This work includes studying ways regulatory agencies can help its regulated entities become more resilient.

To support this work, Oregon is joining six other states in asking its insurers to fill out the NAIC's Climate Change Risk Disclosure Survey. The survey will be sent to insurers on July 1. The deadline to respond is Aug. 31.

The survey was developed to provide regulators, insurers, investors, and other stakeholders with information about the risks insurers face from climate change and steps they are taking to respond to those challenges. It is an opportunity for insurers to look at risks and to better understand the effects of climate change on insurers' assets, investments, and operations.

Visit NAIC's [Assessment of and insights from the climate change risk disclosure data](#) for more information. The division looks forward to working with the state's insurers to address risks and increase Oregon's climate-related resilience.



Death Row gifting club scam prevalent in Oregon



The pyramid scheme has a new look and the Oregon Division of Financial Regulation is warning consumers to steer clear. Gifting clubs, such as Death Row, are illegal pyramid schemes that are scamming several Oregonians.

The Death Row gifting club, not associated with Death Row Records, was operating in Oregon last year. It advertised on social media and in online forums as a community wealth share group. Several Oregonians who invested \$1,400 each lost their investments.

Gifting club schemes, such as this, entice investors to give gifts of cash to higher ranking members. Members of the scheme encourage friends, family, and co-workers to join the group with a promise that they will rise up the ranks and receive monetary gifts far greater than their original investment.

“If someone invites you to join a gifting club, just say no to their high-pressure tactics and stories of high earnings,” said TK Keen, Division of Financial

Regulation administrator. “The simple reality is that only a few people profit from these schemes at the expense of everyone else who ultimately lose their investments.”

The Death Row gifting scheme promised financial returns of at least \$9,000. The division was alerted to the scheme when an Oregonian reported not receiving anything in return for a \$1,400 investment. The investment was not registered with the division and no one was licensed to sell investments in Death Row. Victims of the Death Row scheme invested their money using a cloud-based payment platform and communicated with others about the investment in online forums for the Death Row program.

The division is still investigating the Death Row gift club. Anyone who has information about the scheme or was a victim of it are asked to contact the Division of Financial Regulation advocacy team at 888-877-4894 (toll-free).

Oregonians are encouraged to contact the Division of Financial Regulation’s consumer advocacy team if they spot a gifting scheme or believe they are a victim of one. Reach advocates by calling 888-877-4894 (toll-free), emailing dfr.financialserviceshelp@oregon.gov, or visiting dfr.oregon.gov.

For more information about investments and protecting consumers from investment fraud, visit the division’s [avoid investment fraud](#) page.

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

BULLETINS

Certificate of authority requirements for CMS Global and Professional Direct Contracting

The bulletin provides guidance on insurance licensing requirements for provider groups or other health care entities participating as a Direct Contracting Entity in the Global and Professional Direct Contracting Model set by the Centers for Medicare and Medicaid Services.

[Division of Financial Regulation bulletin 2021-3](#)

Guidance on exclusionary language for controlled substances

The bulletin provides property and casualty insurers guidance on exclusionary language related to the possession or use of controlled substances, clearly describing the risks being excluded.

[Division of Financial Regulation bulletin 2021-4](#)

Oregon foreclosure moratorium

House Bill 2009 from the 2021 legislative session established a foreclosure moratorium in Oregon until June 30, 2021.

The new law is retroactive to Dec. 31, 2020, and provides foreclosure relief to mortgage holders who do not have a federally backed mortgage. The moratorium can be extended by the governor in 90-day increments until Dec. 31, 2021.

The Division of Financial Regulation encourages its regulated lenders and financial services providers to continue offering loan forbearance plans, fee waivers, and other deferred payment options to their customers.

For more information about HB 2009, visit oregonlegislature.gov - [HB 2009 overview](#).

For more consumer information and resources, visit dfr.oregon.gov - [COVID-19 mortgages](#).

Public comment period for 2022 health insurance rates open until June 29

Oregonians are encouraged to comment on 2022 health insurance rate change requests during the public comment period, which runs through June 29.

The public can submit comments at oregonhealthrates.com and during the public rate hearings in early July.

