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State launches education campaign for seniors and their families

Presentations to focus on avoiding insurance and financial abuse

(Salem) — The Oregon Department of Consumer and Business Services (DCBS) today announced it is launching a public awareness campaign to help senior citizens and their families protect themselves against insurance and financial abuse.

Beginning this fall, DCBS will be giving presentations around the state as part of its new SAFE program (Senior and Family Education on Insurance and Financial Issues). The department kicked off the program today with a presentation at Terwilliger Plaza in downtown Portland.

SAFE is designed to help seniors learn how to:

- Recognize predatory marketing techniques used by insurance agents and security brokers,
- Choose insurance and financial products that are suitable for them, and
- Avoid scams.

DCBS has added senior-related information to its Web site (www.dcbs.oregon.gov) and developed several free publications for seniors and their families.

“Seniors are tempting targets for scams or deceptive sales practices because many are deciding what to do with large sums of money from a lifetime of savings and asset appreciation,” said Cory Streisinger, director of the Department of Consumer and Business Services. “Although most agents and brokers are honest and have their clients’ best interests in mind, we have seen many cases in which salespeople take advantage of this vulnerable population.”

For example, recent cases the department has investigated include:

- A 92-year-old man was sold a five-year term annuity that tied up his money and had large penalties for early withdrawal.
- An agent misrepresented an insurance product to an 80-year-old widow and convinced her to cash out her deceased husband’s annuities, which could have been continued under her name. The agent received a large commission on a new product she purchased, and the widow lost earnings on the annuity.
- A recently widowed 78-year-old woman was talked into surrendering her existing annuities worth \$706,419 and purchasing eight new annuities, resulting in about \$85,000 in surrender charges.
- An agent sold a \$7,000 life insurance policy to an 80-year-old widow with Alzheimer’s disease.

- An agent sold an annuity to an 83-year-old who didn't understand the product. When money was needed, the family had to pay more than \$6,500 in penalties for early withdrawal.

DCBS was able to recover the money lost by each of these victims.

“In many cases, we can help victims of fraud through our enforcement and advocacy activities,” Streisinger said. “Through this new outreach effort, we hope to prevent many of these types of situations from occurring in the first place.”

DCBS' Insurance Division, Division of Finance and Corporate Securities, and Senior Health Insurance Benefits Assistance program are participating in the SAFE program.

The department has upcoming presentations scheduled in Corvallis, Beaverton, and Salem. Check www.dcb.oregon.gov for the complete schedule. Groups interested in arranging for an educational presentation should contact Gayle Woods, 503-947-7217, or gayle.woods@state.or.us.

Oregonians who think they have been victimized by an agent or securities broker should contact the DCBS Consumer Advocacy Unit at 1-888-877-4894 toll-free or 503-947-7984 in Salem. There is no charge for this service.

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The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcb.oregon.gov.