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

In the Matter of: CHCS SERVICES INC., a Florida Corporation, Respondent.	Case Nos. INS-23-0069 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTIES, FINAL ORDER REINSTATING 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 CHCS Services Inc. ("Respondent") and determined that Respondent failed to timely file required its annual report with the Director for the year 2022 and failed to satisfy the conditions necessary for the continued suspension and waiver of civil penalties imposed under a consent order entered into pursuant to ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3).

Respondent 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.

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

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon third party administrator license ("License") since September 27, 2022. Respondent's National Producer Number is 2750722.

2. Respondent's principal place of business is 4900 Bayou Blvd, Ste. 208, Pensacola, FL, 32503.

3. On November 17, 2022, Respondent and the Division entered into a consent order in Division of Financial Regulation ("Division") case number INS-22-0064, a true and correct copy of which is attached hereto as Exhibit A (the "Consent Order").

4. Under the Consent Order, Respondent agreed to pay civil penalties imposed by the Director in the total amount of $1,000 (the "Civil Penalties").

5. Under the Consent Order, Respondent agreed that its obligation to pay $500 of the Civil Penalties would be suspended as long as Respondent satisfied certain conditions, including the requirement that Respondent refrain from violating the Insurance Code for a period of three years from the effective date of the Order.

6. Under the Consent Order, Respondent agreed that the Civil Penalties would not be waived if Respondent failed to comply with any term set forth in the Order.

7. Respondent failed to file its 2022 annual report with the Director by March 1, 2023.

8. On April 4, 2023, the Director sent Respondent a warning letter extending the filing deadline to May 1, 2023. On or about April 6, 2023, Respondent attempted to file its 2022 annual report, but failed to include a list of Oregon insurers with whom Respondent had maintained contracts in 2022 (its "Insurer List"), as prescribed by the Director. As such, Respondent's annual report was incomplete.

9. Respondent failed to file its complete 2022 annual report with the Director by May 1, 2023.

10. On May 2, 2023, The Director declared the $500 in suspended Civil Penalties to be due and payable as a result of Respondent's failure to satisfy the terms of the Consent Order.

11. When notified of the deficiency of its annual report filing via an Order to Cease and Desist, Proposed Orders Revoking License and Assessing Civil Penalty, and Notice of Right to a Hearing that the Division issued on November 28, 2023 (the "Notice Order"),

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Respondent promptly completed the filing of its 2022 annual report by providing the Division with its Insurer List.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. The Director has jurisdiction over Respondent's business activities pursuant to ORS 731.236.

13. Pursuant to ORS 744.738(1), third party administrators are required to file annual reports with the Director by March 1 of each year, or within such extension of time as the Director may grant.

14. By failing to file its complete 2022 annual report by May 1, 2023, Respondent violated ORS 744.738(1).

15. The Consent Order resolved Division case number INS-22-0064 in accordance with, *inter alia*, ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3)-(4).

16. The Consent Order is a valid and enforceable final order not subject to the provisions of ORS 183.470 and OAR 137-003-0665(5).

17. Respondent's violation of ORS 744.738(1) is a violation of the Insurance Code and made the suspended Civil Penalties imposed under the Consent Order due and payable as of May 2, 2023.

18. Respondent is obligated to pay the $500 in suspended Civil Penalties imposed under the Consent Order.

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

20. 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).

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ORDERS

Now therefore, the Director issues the following Orders:

21. As authorized by ORS 731.252(1), the Director hereby ORDERS Respondent to CEASE AND DESIST from violating ORS 744.738(1).

22. As authorized by the Consent Order resolving Division case number INS-22-0064 in accordance with ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3)-(4), a true and correct copy of which is attached hereto as Exhibit A, the Director hereby ORDERS that the $500 in suspended CIVIL PENALTY imposed on Respondent under the Consent Order be IMMEDIATELY DUE AND PAYABLE as a result of Respondent's failure to satisfy the terms and conditions of the Consent Order, namely by violating ORS 744.738(1) and the Insurance Code.

23. As authorized by ORS 731.988(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $5,000 for violating ORS 744.738(1) for a second time.

24. The Director SUSPENDS $4,000 of the CIVIL PENALTY assessed in paragraph 23, provided that Respondent complies with these conditions:

(A) Respondent pays the reinstated $500 in CIVIL PENALTY pursuant to paragraph 22;

(B) Respondent pays the remaining $1,000 of the CIVIL PENALTY assessed in paragraph 23;

(C) Respondent timely files all future annual reports pursuant to ORS 744.738(1) and does not violate the Insurance Code; and

(D) Respondent does not violate the terms of this Consent Order.

25. If Respondent satisfies the above conditions for a period of three years after the effective date of this Order, the Director shall waive the $4,000 suspended portion of the civil penalties. If Respondent fails to satisfy the above conditions during the three-year

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period following the date of this Order, however, the suspended portion of the civil penalties will become immediately due and owing.

26. Along with this Order, Respondent shall submit $500 to the Director as payment for the reinstated civil penalties and shall submit $1,000 to the Director as payment for the non-suspended civil penalties. Such payments shall be made at the time Respondent signs and returns this Consent Order to the Director.

27. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, entry of this Order does not limit or prevent further remedies available to the Director under Oregon law to enforce this Order or take action for violations of this Order or of the Insurance Code not covered by this Order.

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

SO ORDERED this 9th day of January, 2024.

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

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

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CONSENT TO ENTRY OF ORDER

I, Mayra Mejia 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 or with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect 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/ Mayra Mejia*

Position Held: CAO

State of Florida

County of Escambia

Signed or attested before me on this 22nd day of December, 2023 by Cynda Gilliland

/s/ Cynda Gilliland
Notary Public

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