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

In the Matter of: CONTINENTAL CASUALTY COMPANY; THE CONTINENTAL INSURANCE COMPANY; TRANSPORTATION INSURANCE COMPANY; AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA; VALLEY FORGE INSURANCE COMPANY; and NATIONAL FIRE INSURANCE COMPANY OF HARTFORD; Respondents.	Case No. INS-24-0044 FINAL ORDER TO CEASE AND DESIST AND FINAL ORDER ASSESSING CIVIL PENALTIES, ENTERED BY CONSENT

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), through the Division of Financial Regulation (the "Division"), investigated the business activities of Continental Casualty Company; The Continental Insurance Company; Transportation Insurance Company; American Casualty Company of Reading, Pennsylvania; Valley Forge Insurance Company; and National Fire Insurance Company of Hartford (collectively, the "CNA Insurance Group") and determined that they violated certain provisions of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748, and 750 and the rules promulgated thereunder (collectively, the "Insurance Code").

The CNA Insurance Group cooperated with the Director's investigation and wishes to settle this matter.

Now, therefore, as evidenced by the signatures subscribed in this Order, the CNA Insurance Group hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law below.

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FINDINGS OF FACT

The Director FINDS that:

1. The following property and casualty insurance carriers provide insurance products in Oregon and operate under the CNA Insurance Group, National Association of Insurance Commissioners ("NAIC") Group Code 218:

A. Continental Casualty Company, NAIC Company Code 20443;

B. The Continental Insurance Company, NAIC Company Code 35289;

C. Transportation Insurance Company, NAIC Company Code 20494;

D. American Casualty Company of Reading, Pennsylvania, NAIC Company Code 20427;

E. Valley Forge Insurance Company, NAIC Company Code 20508; and

F. National Fire Insurance Company of Hartford, NAIC Company Code 20478.

2. The following Oregon licensed third-party administrators provide services to CNA Insurance Group carriers for certain claims:

A. Gallagher Bassett Services, Inc., National Producer Number ("NPN") 527027;

B. Broadspire Services, Inc., NPN 2014628; and

C. Sedgwick Claims Management Services, Inc., NPN 654355.

3. From January 1, 2020 to May 31, 2023, the CNA Insurance Group received 86 automobile total loss claims in Oregon and did not send 58 claimants the required Oregon total loss notice for cash settlements, broken down as follows:

A. Continental Casualty – 15

B. The Continental Insurance – 18

C. American Casualty – 1

D. Valley Forge Insurance – 10

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E. National Fire Insurance – 14

4. During the same period, the CNA Insurance Group processed and paid cash settlements in all 86 Oregon total loss claims without including in the payment all the applicable taxes and fees incident to the transfer of ownership of a comparable vehicle, broken down as follows:

A. Continental Casualty – 23

B. The Continental Insurance – 27

C. Transportation Insurance – 1

D. American Casualty – 3

E. Valley Forge Insurance – 18

F. National Fire Insurance – 14

5. Following the Division's inquiry, the CNA Insurance Group reimbursed the claimants those taxes and fees plus interest, totaling $29,392.

6. From August 29, 2022 to August 29, 2023, Gallagher Bassett Services received 76 automobile total loss claims and did not send two claimants the required Oregon total loss notice for cash settlements.

7. In four of the 76 Oregon total loss claims for the same period, Gallagher Bassett Services processed and paid cash settlements without including in the payment all the applicable taxes and fees incident to the transfer of ownership of a comparable vehicle. Following the Division's inquiry, the company reimbursed the claimants those costs, totaling $1,659.50.

8. In three of the 76 claims for the same period, Gallagher Bassett Services did not send the full valuation report it used to determine the amount of cash settlement.

9. From January 1, 2022 to September 5, 2023, Broadspire Services received 10 automobile total loss claims in Oregon and did not send six claimants the required Oregon total loss notice for cash settlements.

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10. In five of the 10 Oregon total loss claims for the same period, Broadspire Services processed and paid cash settlements without including in the payment all the applicable taxes and fees incident to the transfer of ownership of a comparable vehicle. Following the Division's inquiry, the company reimbursed the claimants those costs, totaling $2,262.65.

11. From January 1, 2020 to May 31, 2023, Sedgwick Claims Management Services processed and paid two cash settlements without including in the payment all the applicable taxes and fees incident to the transfer of ownership of a comparable vehicle. Following the Division's inquiry, the company reimbursed the claimants those costs plus interest, totaling $853.52.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. The Director has jurisdiction over the CNA Insurance Group's business activities under ORS 731.236.

13. Under ORS 744.740(1)-(2), the CNA Insurance Group is responsible for its third-party administrators' claims processing violations.

14. By failing to send claimants the required Oregon total loss notice for cash settlements, as more fully described in Paragraphs 3, 6, and 9 above, the CNA Insurance Group violated ORS 742.554(2) and OAR 836-080-0240(4) in 66 instances.

15. By failing to include all the applicable taxes and fees in the cash settlement payments for Oregon total loss claims, as more fully described in Paragraphs 4, 7, 10, and 11 above, the CNA Insurance Group violated OAR 836-080-0240(3)(b) in 97 instances.

16. By failing to send claimants the full valuation report it used to determine the amount of cash settlement, the CNA Insurance Group violated ORS 742.554(1) and OAR 836-080-0240(3)(a) in three instances.

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17. Because the Director has reason to believe that the CNA Insurance Group violated ORS 742.554(1)-(2) and OAR 836-080-0240(3)(a)-(b) and (4), the Director may, under ORS 731.252(1), order the CNA Insurance Group to cease and desist from violating those statutes and rules.

18. ORS 731.988(1) authorizes the Director to assess against the CNA Insurance Group a civil penalty of up to $10,000 per violation of the Insurance Code.

ORDERS

Now, therefore, the Director issues the following Orders:

19. As authorized by ORS 731.252(1), the Director ORDERS the CNA Insurance Group to CEASE AND DESIST from violating ORS 742.554(1)-(2) and OAR 836-080-0240(3)(a)-(b) and (4).

20. As authorized by ORS 731.988(1), the Director ORDERS the CNA Insurance Group to pay, jointly and severally, a total of $58,175 in CIVIL PENALTIES for violations detailed below:

A. $14,850 in CIVIL PENALTIES for violating ORS 742.554(2) and OAR 836-080-0240(4) in 66 instances, allocated as follows:

(1) Continental Casualty – $3,375

(2) The Continental Insurance – $4,050

(3) American Casualty – $225

(4) Valley Forge Insurance – $2,250

(5) National Fire Insurance – $3,150

(6) Gallagher Bassett Services – $450

(7) Broadspire Services – $1,350

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B. $41,225 in CIVIL PENALTIES for violating OAR 836-080-0240(3)(b) in 97 instances, allocated as follows:

(1) Continental Casualty – $9,775

(2) The Continental Insurance – $11,475

(3) Transportation Insurance - $425

(4) American Casualty – $1,275

(5) Valley Forge Insurance – $7,650

(6) National Fire Insurance – $5,950

(7) Gallagher Bassett Services – $1,700

(8) Broadspire Services – $2,125

(9) Sedgwick Claims Management Services – $850

C. A $2,100 CIVIL PENALTY for violating ORS 742.554(1) and OAR 836-080-0240(3)(a) in three instances.

21. The Director SUSPENDS $23,175 of the civil penalties, provided the CNA Insurance Group does not violate ORS 742.554(1)-(2) and OAR 836-080-0240(3)(a)-(b) and (4) or the terms of this Order. If the CNA Insurance Group fails to satisfy these conditions, the suspended civil penalties become immediately due and owing. Otherwise, the Director will waive the suspended civil penalties three years after the effective date of this Order.

22. Along with this Order, the CNA Insurance Group shall submit to the Director $35,000 as payment for the non-suspended civil penalty.

23. This Order is binding upon the CNA Insurance Group's successors and assigns.

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24. This 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 violations of the Insurance Code not covered by this Order.

SO ORDERED this 18th day of March, 2025.

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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ENTITY CONSENT TO ENTRY OF ORDER

I, Daniel Moore, am an officer or manager of the CNA Insurance Group, and I am authorized to act and sign on its behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. I have been advised of the CNA Insurance Group's right to a hearing and right to be represented by counsel in this matter. The CNA Insurance Group 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. The CNA Insurance Group understands that the Director reserves the right to take further action against the CNA Insurance Group to enforce this Order or to take appropriate action upon discovery that the CNA Insurance Group has committed other violations of the Insurance Code. The CNA Insurance Group, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

The CNA Insurance Group understands that this Order is a public document.

Signature: */s/ Daniel Moore*

Position Held: SVP, CAO Shared Services CNA

State of Missouri

County of St. Charles

Signed or attested before me by Daniel Moore on this 25 day of February, 2025.

/s/ Timothy Moutray

Notary Public

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