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

In the Matter of: COVENANT ADMINISTRATORS, LLC, a Georgia Limited Liability Company, Respondent.	Case No. INS-24-0008 ORDER TO CEASE AND DESIST, ORDER REINSTATING SUSPENDED CIVIL PENALTIES, 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 Covenant Administrators, LLC ("Respondent") and determined that Respondent engaged in violations of the Insurance Code.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signatures subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has held an Oregon third party administrator license since April 20, 2018, National Producer Number 3243670.

2. Respondent's principal place of business is 2810 Premiere Parkway, Suite 400, Duluth, Georgia 30097.

3. Licensed third party administrators are required to file an annual report with the Division each year by the March 1.

4. On September 6, 2023, Respondent entered into a consent order ("Consent

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Order") with the Oregon Division of Financial Regulation ("Division"), case number INS-22-0067, for the late filing of its annual report for 2021 activity.

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

6. Also, under the Consent Order, Respondent agreed that its obligation to pay $500 of the Civil Penalties would be suspended, so 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.

7. Respondent agreed that the Civil Penalties would not be waived if it failed to comply with any term set forth in the Order.

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

9. On April 4, 2023, the Division sent Respondent an email warning that the annual report was due and extended the filing deadline to April 19, 2023. The email stated that if Respondent did not file the annual report by April 19, 2023, the matter would be referred for enforcement action, which could result in a monetary civil penalty or a licensing action.

10. Respondent failed to file its 2022 annual report with the Division by April 19, 2023.

11. The Director declares that the $500 in suspended Civil Penalties are now due and payable, as a result of Respondent's failure to satisfy the terms of the Consent Order.

12. In addition, Respondent failed to file its 2023 annual report with the Division by March 1, 2024.

13. Respondent filed the 2022 and 2023 reports on July 22, 2024.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

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

15. By failing to file its 2022 annual report by April 19, 2023, Respondent violated ORS 744.738(1).

16. By failing to file its 2023 annual report by March 1, 2024, Respondent violated ORS 744.738(1)

17. The Consent Order resolved case number INS-22-0067 in accordance with ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3)-(4).

18. 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).

19. Respondent's violation of ORS 744.738(1) is a violation of the Insurance Code, and so the suspended Civil Penalties imposed under the Consent Order are now due and payable.

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

21. Since 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, pursuant to ORS 731.252(1).

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

ORDERS

Now therefore, the Director issues the following Orders:

23. As authorized by ORS 731.252(1), the Director hereby ORDERS Respondent

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to CEASE AND DESIST from violating ORS 744.738(1).

24. As authorized by the Consent Order resolving case number INS-22-0067, in accordance with ORS 183.417(3), ORS 183.745(11), and OAR 137-003-0510(3)-(4), the Director hereby ORDERS that the $500 in suspended CIVIL PENALTIES imposed 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) of the Insurance Code within three years from the effective date of the Consent Order.

25. As authorized by ORS 731.988(1), the Director hereby ORDERS that Respondent pay a CIVIL PENALTY of $2,000 for failing to file the 2022 annual report and $2,000 for failing to file the 2023 annual report, totaling $4,000 for the two violations of ORS 744.738(1).

26. The Director hereby suspends payment of $2,000 of the CIVIL PENALTY for a period of three years from the effective date of this Order, provided Respondent:

A. Pays the previously suspended $500 CIVIL PENALTY; and

B. Pays the $2,000 non-suspended portion of the CIVIL PENALTY, pursuant to this Order; and

C. Does not violate the Insurance Code within the three-year time period.

27. The previously suspended $500 CIVIL PENALTY and the non-suspended portion of the CIVIL PENALTY assessed herein ($2,000) are due and payable at the time Respondent returns this signed Order to the Director.

28. The non-suspended portion of the CIVIL PENALTY ($2,000) 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.

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

SO ORDERED this 8th day of August, 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, Tyler Fletcher, 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 engage in insurance business 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/ Tyler Fletcher*

Position Held: President

State of Georgia

County of Newton

Signed or attested before me on this 6th day of August, 2024 by Ashley Ray.

/s/ Ashley Ray
Notary Public

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