

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

In the Matter of:

Case No. INS-23-0020

SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC.,

Respondent.

FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTY,
ENTERED BY CONSENT

The Director of the Oregon 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 Sedgwick Claims Management Services, Inc. (“Sedgwick CMS” or the “company”) and determined that the company 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”).

Sedgwick CMS cooperated with the Director’s investigation and wishes to settle this matter.

Now, therefore, as evidenced by the signature(s) subscribed in this Order, Sedgwick CMS hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law below.

FINDINGS OF FACT

The Director FINDS that:

1. Sedgwick CMS is an Illinois corporation domiciled in California. Its principal place of business is 8125 Sedgwick Way, Memphis, Tennessee 38125.

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350 Winter Street NE, Suite 410
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1 2. The company has been licensed in Oregon as a third-party administrator since
2 September 2017. Its National Producer Number is 654355.

3 3. From January 1, 2020 to May 31, 2022, Sedgwick CMS received 30 automobile
4 total loss claims in Oregon. In 26 of the claims, the company did not send insureds the
5 required Oregon total loss notice for cash settlements. In two of the claims, the company
6 sent insureds only a partial notice.

7 **CONCLUSIONS OF LAW**

8 The Director CONCLUDES that:

9 4. The Director has jurisdiction over Sedgwick CMS’s business activities under
10 ORS 731.236.

11 5. By failing to send insureds the required Oregon total loss notice for cash
12 settlements, or sending them an incomplete notice, Sedgwick CMS violated ORS
13 742.554(2) and Oregon Administrative Rule (“OAR”) 836-080-0240(4).

14 6. ORS 731.252(1) authorizes the Director to order Sedgwick CMS to cease and
15 desist from violating ORS 742.554(2) and OAR 836-080-0240(4).

16 7. ORS 731.988(1) authorizes the Director to assess against Sedgwick CMS a civil
17 penalty of up to \$10,000 per violation of the Insurance Code.

18 **ORDERS**

19 Now therefore, the Director issues the following Orders:

20 1. As authorized by ORS 731.252(1), the Director ORDERS Sedgwick CMS to
21 CEASE AND DESIST from violating ORS 742.554(2) and OAR 836-080-0240(4).

22 2. As authorized by ORS 731.988(1), the Director ORDERS Sedgwick CMS to
23 pay a \$10,000 CIVIL PENALTY for failing to send insureds the required Oregon total loss
24 notice for cash settlements, or sending them an incomplete notice, in violation of ORS
25 742.554(2) and OAR 836-080-0240(4).

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1 3. The Director SUSPENDS \$3,000 of the civil penalty, provided Sedgwick CMS
2 does not violate ORS 742.554(2) and OAR 836-080-0240(4) or the terms of this Order. If
3 Sedgwick CMS fails to satisfy these conditions, the suspended civil penalty will become
4 immediately due and owing. Otherwise, the Director will waive the suspended civil penalty
5 three years after the date of this Order.

6 4. Along with this Order, Sedgwick CMS shall submit to the Director \$7,000 as
7 payment for the non-suspended civil penalty.

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

12

13 SO ORDERED this 25th day of April, 2023.

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

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17 /s/ Dorothy Bean
18 Dorothy Bean, Chief of Enforcement
19 Division of Financial Regulation

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1 **ENTITY CONSENT TO ENTRY OF ORDER**

2 I, Doug Foster, am an officer or manager of Sedgwick Claims
3 Management Services, Inc. ("Sedgwick CMS"), and I am authorized to act and sign on its
4 behalf. I have read the foregoing Order, and I know and fully understand the contents
5 hereof. The factual allegations stated herein are true and correct. I have been advised of
6 the right to a hearing and of the right to be represented by counsel in this matter. Sedgwick
7 CMS voluntarily consents to the entry of this Order without force or duress, expressly
8 waiving any right to a hearing in this matter, as well as any rights to administrative or
9 judicial review of this Order. Sedgwick CMS understands that the Director reserves the
10 right to take further action against it to enforce this Order or to take appropriate action
11 upon discovery that Sedgwick CMS has committed other violations of the Insurance Code.
12 Sedgwick CMS, along with its officers, directors, employees, or agents, will fully comply
13 with the terms and conditions stated herein.

14 Sedgwick CMS understands that this Order is a public document.

16 Signature: /s/ Doug Foster

17 Position Held: SVP Managing Counsel

19 State of Tennessee

20 County of Shelby

22 Signed or attested before me on this 14 day of April,
23 2023.

25 /s/ Karen Beth Whipple

26 Notary Public

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