

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

In the Matter of:

Case No. INS-22-0039

SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC.,

Respondent.

FINAL ORDER TO CEASE AND  
DESIST AND FINAL ORDER  
ASSESSING CIVIL PENALTIES,  
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 has cooperated with the Director’s investigation and wishes to settle this matter with the Director.

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 as stated below.

**FINDINGS OF FACT**

The Director FINDS that:

1. Sedgwick CMS is an Illinois corporation domiciled in California. Its mailing address is 8125 Sedgwick Way, Memphis, Tennessee 38125.

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



1           2.     The company has been licensed in Oregon as a third-party administrator since  
2 September 2017. Its National Association of Insurance Commissioners National Producer  
3 Number is 654355.

4           3.     From January 1, 2019 to July 31, 2021, Sedgwick CMS processed and paid cash  
5 settlements on behalf of several insurers on 20 Oregon total loss claims, without including  
6 in the payment all the applicable taxes and fees incident to the transfer of ownership of a  
7 comparable vehicle.

8           4.     Following the Division’s investigation, Sedgwick CMS paid the applicable  
9 taxes and fees plus interest on the above Oregon total loss claims.

10   **CONCLUSIONS OF LAW**

11           The Director **CONCLUDES** that:

12           5.     By failing to include all the applicable taxes and fees in cash settlement  
13 payments for 20 Oregon total loss claims, Sedgwick CMS violated Oregon Administrative  
14 Rule (“OAR”) 836-080-0240(3)(b).

15           6.     Because Sedgwick CMS violated OAR 836-080-0240(3)(b), the Director may,  
16 under ORS 731.252(1), order Sedgwick CMS to cease and desist from violating that rule.

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

19   **ORDERS**

20           Now therefore, the Director issues the following Orders:

21           8.     As authorized by ORS 731.252(1), the Director **ORDERS** Sedgwick CMS to  
22 **CEASE AND DESIST** from violating OAR 836-080-0240(3)(b).

23           9.     As authorized by ORS 731.988(1), the Director **ORDERS** Sedgwick CMS to  
24 **pay** a \$20,000 **CIVIL PENALTY** for violating OAR 836-080-0240(3)(b).

25           10.    The Director **SUSPENDS** \$8,000.00 of the civil penalty, provided Sedgwick  
26 CMS does not violate OAR 836-080-0240(3)(b) or the terms of this Order. If Sedgwick



1 fails to satisfy this condition, the suspended portion of the civil penalty will become  
2 immediately due and owing. Otherwise, the Director will waive the suspended portion of  
3 the civil penalty three years after the date of this Order.

4 11. Along with this Order, Sedgwick CMS shall submit to the Director \$12,000.00  
5 as payment for the unsuspended portion of the civil penalty.

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

10  
11 SO ORDERED this 23<sup>rd</sup> day of June, 2022.

12  
13 ANDREW R. STOLFI, Director  
14 Department of Consumer and Business Services

15 /s/ Dorothy Bean  
16 Dorothy Bean, Chief of Enforcement  
17 Division of Financial Regulation

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**ENTITY CONSENT TO ENTRY OF ORDER**

I, Brenda G. Corey, am an officer or manager of Sedgwick Claims Management Services, Inc. (“Sedgwick CMS”), 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 right to a hearing and of the right to be represented by counsel in this matter. Sedgwick CMS 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. Sedgwick CMS understands that the Director reserves the right to take further action against it to enforce this Order or to take appropriate action upon discovery that Sedgwick CMS has committed other violations of the Insurance Code. Sedgwick CMS, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

Sedgwick CMS understands that this Order is a public document.

Signature: /s/ Brenda G Corey

Position Held: SVP Compliance & Regulatory

State of Tennessee

County of Shelby

Signed or attested before me on this 15<sup>th</sup> day of June,  
2022.

/s/ Karen Beth Whipple

Notary Public

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