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

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

In the Matter of:

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Case No. INS-22-0039

SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.,

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

Respondent.

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").

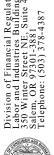
Sedgwick CMS has cooperated with the Director's investigation and wishes to settle this matter with the Director.

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.





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

- 3. From January 1, 2019 to July 31, 2021, Sedgwick CMS processed and paid cash settlements on behalf of several insurers on 20 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.
- 4. Following the Division's investigation, Sedgwick CMS paid the applicable taxes and fees plus interest on the above Oregon total loss claims.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

- 5. By failing to include all the applicable taxes and fees in cash settlement payments for 20 Oregon total loss claims, Sedgwick CMS violated Oregon Administrative Rule ("OAR") 836-080-0240(3)(b).
- 6. Because Sedgwick CMS violated OAR 836-080-0240(3)(b), the Director may, under ORS 731.252(1), order Sedgwick CMS to cease and desist from violating that rule.
- 7. ORS 731.988(1) authorizes the Director to assess against Sedgwick CMS a civil penalty of up to \$10,000 per violation of the Insurance Code.

ORDERS

Now therefore, the Director issues the following Orders:

- 8. As authorized by ORS 731.252(1), the Director ORDERS Sedgwick CMS to CEASE AND DESIST from violating OAR 836-080-0240(3)(b).
- 9. As authorized by ORS 731.988(1), the Director ORDERS Sedgwick CMS to pay a \$20,000 CIVIL PENALTY for violating OAR 836-080-0240(3)(b).
- 10. The Director SUSPENDS \$8,000.00 of the civil penalty, provided Sedgwick CMS does not violate OAR 836-080-0240(3)(b) or the terms of this Order. If Sedgwick

immediately due and owing. Otherwise, the Director will waive the suspended portion of the civil penalty three years after the date of this Order. Along with this Order, Sedgwick CMS shall submit to the Director \$12,000.00 as payment for the unsuspended portion of the civil penalty. 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. June , 2022. ANDREW R. STOLFI, Director Department of Consumer and Business Services Dorothy Bean, Chief of Enforcement Division of Financial Regulation [The remainder of this page is intentionally left blank.]

	1	ENTITY CONSENT TO ENTRY OF ORDER
Labor and Industries Building 350 Winter Street NE, Suite 410 Salem, OR 97301-3881 Telephone: (503) 378-4387	2	I, Brenda G. Corey , 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 any 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.
	15	
	16	Signature:/s/Brenda G Corey
	17	Position Held: SVP Compliance & Regulatory
	18	
	19	State of <u>Tennessee</u>
	20	County of Shelby
	21	
	22	Signed or attested before me on this <u>15th</u> day of <u>June</u> ,
	23	2022.
	24	
	25	/s/ Karen Beth Whipple
	26	Notary Public