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3 STATE OF OREGON  
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. INS-19-0055

7 SEVEN CORNERS INC.

8 Respondent.

FINAL ORDER TO CEASE AND  
DESIST, FINAL ORDER ASSESSING  
CIVIL PENALTIES, AND CONSENT  
TO ENTRY OF ORDER

9 The Director of the Department of Consumer and Business Services for the State  
10 of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”)  
11 chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750  
12 (“Insurance Code”), has conducted an investigation into Seven Corners Inc.  
13 (“Respondent”) and determined that it has violated the Insurance Code.

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

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

18 FINDINGS OF FACT

19 The Director FINDS that:

- 20 1. Respondent’s principal address is 303 Congressional Blvd., Carmel, IN 46032.
- 21 2. Respondent has been licensed as an Oregon nonresident insurance producer  
22 since June 18, 2007. It has been licensed as an Oregon nonresident adjuster since March  
23 2, 2018 and a nonresident third party administrator since November 8, 2016. Respondent’s  
24 national producer number is 3320233.
- 25 3. Respondent has a binding authority contract with Lloyd’s of London  
26 (“Lloyd’s”), which authorizes Respondent to underwrite certain insurance sold on the

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Labor and Industries Building  
350 Winter Street NE, Suite 410  
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1 surplus lines market on behalf of multiple syndicates.<sup>1</sup> The arrangement between Lloyd’s,  
2 the Respondent, and the syndicates is referred to as a “Binder.”

3 4. Lloyd’s operates on the surplus lines market in Oregon.

4 5. Respondent sells travel policies that include some health insurance benefits as  
5 a surplus lines product (collectively, “SC policies”).

6 6. Travel insurance policies sold through surplus lines to Oregon consumers must  
7 state the following legend in bold type: “This insurance was procured and developed under  
8 the Oregon surplus lines laws. It is NOT covered by the provisions of ORS 734.510 to  
9 734.710 relating to the Oregon Insurance Guaranty Association. If the insurer issuing this  
10 insurance becomes insolvent, the Oregon Insurance Guaranty Association has no  
11 obligation to pay claims under this insurance.”

12 7. None of the SC policies have the required language as described in the above  
13 paragraph.<sup>2</sup>

#### 14 CONCLUSIONS OF LAW

15 The Director CONCLUDES that:

16 8. Pursuant to ORS 731.252(1), whenever the Director has reason to believe that  
17 any person has been engaged or is engaging or is about to engage in any violation of the  
18 Insurance Code, the Director may issue an order to discontinue or desist from such  
19 violation or threatened violation.

20 9. Under ORS 735.435(6), each insurance policy or certificate of insurance  
21 negotiated, placed or procured under the provisions of ORS 735.400 to 735.495 by the  
22 surplus lines licensee shall bear the name of the licensee and the following legend in bold  
23 type: “This insurance was procured and developed under the Oregon surplus lines laws. It  
24

25 <sup>1</sup> Respondent describes itself as being a Lloyd’s coverholder.

26 <sup>2</sup> Three of the SC policies, Liaison Travel Choice, Liaison Travel Economy, and Liaison Travel Elite, have generic statements about the product being offered through surplus lines and guaranty associations having no obligation to pay, but does not specifically cite to Oregon law.

1 is NOT covered by the provisions of ORS 734.510 to 734.710 relating to the Oregon  
2 Insurance Guaranty Association. If the insurer issuing this insurance becomes insolvent,  
3 the Oregon Insurance Guaranty Association has no obligation to pay claims under this  
4 insurance.” The SC policies do not include the required language regarding the Oregon  
5 Insurance Guaranty Association, in violation of ORS 735.435(6).

6 10. Under ORS 731.988(1), the Director may impose a civil penalty of up to  
7 \$10,000 per violation upon any individual who violates a provision of the Insurance Code.  
8 Each violation is a separate offense.

9 ORDERS

10 Now therefore, the Director issues the following Orders:

11 11. As authorized by ORS 731.252(1), the Director ORDERS Respondent to  
12 CEASE AND DESIST from violating ORS 735.435(6).

13 12. The Director, pursuant to ORS 731.988(1), hereby assesses a civil penalty of  
14 fifty thousand dollars (\$50,000) against Respondent for failing to include the required  
15 surplus line language in every policy sold to Oregon consumers in violation of ORS  
16 735.435(b).

17 13. The Director hereby suspends payment of \$25,000 of the CIVIL PENALTY for  
18 a period of three years, provided that Respondent does not violate the Oregon Insurance  
19 Code or terms of this Order, including payment of the \$25,000 non-suspended civil penalty.

20 14. The non-suspended CIVIL PENALTY (\$25,000) is due and payable at the time  
21 this Order is submitted to the Director.

22 15. If Respondent fails to satisfy the above conditions, the \$25,000 in suspended  
23 civil penalties shall immediately become due and owing. If Respondent satisfies the above  
24 conditions, the Director shall waive the suspended civil penalties three years after the date  
25 of this Order.

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1           16.     Entry of this Order in no way limits or prevents further remedies, sanctions, or  
2 actions which may be available to the Director under Oregon law to enforce this Order, for  
3 violations of this Order, for conduct or actions of Respondent that were not covered by this  
4 Order, or against any party not covered by this Order.

5  
6           SO ORDERED this   13<sup>th</sup>   day of   April  , 2021 in Salem,  
7 Oregon.

8   ANDREW R. STOLFI, Acting Director  
9   Department of Consumer and Business Services

10  
11   /s/ Dorothy Bean    
12   Dorothy Bean, Chief of Enforcement  
13   Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Jeremy Murchland, am an officer of Seven Corners Inc. and I am authorized to act 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. Seven Corners Inc. 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. Seven Corners Inc. 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 Seven Corners has committed other violations of the Oregon Insurance Code. Seven Corners, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

Seven Corners Inc. understands that this Order is a public document.

Signature: /s/ Jeremy Murchland

Position Held: President

State of IN

County of Hamilton

Signed or attested before me on this 30<sup>th</sup> day of March, 2021

by Adam P. Ruberry

/s/ Adam P. Ruberry

Notary Public

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