STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

IN RE: ESIS, Inc. ME License No. TAF34553 Docket No. INS-26-231	**CONSENT AGREEMENT AND ORDER**

THIS CONSENT AGREEMENT is entered into by and among ESIS, Inc. (the "Company"), the Maine Superintendent of Insurance (the "Superintendent"), and the Office of the Maine Attorney General (the "Attorney General"). Its purpose is to bring to a halt, without resort to an adjudicatory proceeding, violations of 39-A M.R.S. § 359(2) certified to the Superintendent by the Maine Workers' Compensation Board (the "Board") pursuant to that provision.

I

STIPULATIONS

1. The Superintendent is the official charged with administering and enforcing Maine's insurance laws and regulations.

2. The Company is organized and domiciled under the laws of Pennsylvania and is licensed in Maine as a third-party administrator (TPA) holding License Number TAF34553, first issued February 26, 1992. The Company handles claims arising under the Maine Workers' Compensation Act of 1992, Title 39-A of the Maine Revised Statutes (M.R.S.), as amended, and the regulations of the Board issued thereunder (the "WCA").

3. In January 2022, the Board's Monitoring Audit & Enforcement Division (the "MAE Division") began an audit of the records of the Company with respect to twenty-nine (29) claims filed for indemnity benefits under the WCA between January 1, 2021, and December 31, 2021. The MAE Division also examined thirty-five (35) medical payments for this period. In addition, due to questionable claims handling techniques identified early in the audit process, the examination was expanded to include three (3) claims outside the examination period (one claim from each of the years 2017, 2019 and 2020) as well as a sample of twenty-five (25) medical payments related to those three (3) claims. This audit focused on compliance with WCA requirements for form filing, timeliness of benefit payments, and accuracy of benefit payments.

4. On October 26, 2022, the Board issued a Compliance Audit Report detailing its findings (the "Report"). The Board found that the Company engaged in questionable claims-handling techniques that violated 39-A M.R.S. § 359(2), including non-filing of forms, late forms filings, and inaccurate indemnity and medical payments.

5. The following table details the Report's findings, expressed as percentage:

Category	Compliance Percentage
Form Filing	
WCB-1 (First Report)	6
WCB-2 (Wage Statement)	41
WCB-2B (Fringe Benefit Worksheet)	31
WCB-3/4A (MOP)	33
WCB-4/4A (Disc/Mod)	19
WCB-8/4A (Disc/Reduction)	75
WCB-9 (NOC)	40
WCB-11 (Statement of Compensation Paid)	41
Timeliness of Benefit Payments	
Initial Payment of Indemnity	38
Subsequent Payment of Indemnity	86
Payment of Medical Bills	83
Payment of Orders	80
Accuracy of Indemnity Benefits	
Average Weekly Wage	63
Weekly Compensation Rate	59
Partial Benefits	43
Amount Paid	9
Accuracy of Medical Payments	
Amount Paid	70

6. The Board and the Company entered into a consent decree, signed by the Board's Executive Director on December 4, 2025, concerning the findings in the Report (the "Consent Decree"). The Company agreed it had "engaged in a pattern of questionable claims-handling techniques and/or repeated unreasonably contested claims in violation of Section 359(2)" of the WCA by failing to:

(a) File or timely file forms with the Board;

(b) Pay or timely pay benefits; and

(c) Pay benefits accurately.

The Company agreed to pay a civil forfeiture of $15,000 based on the pattern of questionable claims-handling techniques that led to a certification to the Bureau.

7. On March 10, 2026, the Board certified these findings to the Superintendent as required by 39-A M.R.S. § 359(2).

II

MAINE LAW

8. 39-A M.R.S. § 359(2) provides in part that:

> [T]he [workers' compensation] board … upon finding, after hearing, that an employer, insurer or 3rd-party administrator for an employer has engaged in a pattern of questionable claims-handling techniques or repeated unreasonably contested claims … shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt.

III

CONCLUSIONS OF LAW

9. The Company violated 39-A M.R.S. § 359(2) by engaging in a pattern of questionable claims-handling techniques through December 31, 2021.

10. This Agreement constitutes appropriate action by the Superintendent to bring to a halt the practices certified by the Board under 39-A M.R.S. § 359(2).

IV

COVENANTS

11. **Compliance and Assignment.** The Company shall comply with each provision of this Agreement. The Company's obligations under this Agreement are enforceable as orders of the Superintendent. The Company may not assign, delegate or transfer this Agreement or any of the Company's rights and duties hereunder, without the Superintendent's prior written consent, which may be given or refused in his sole and absolute discretion. Any assignment, delegation or transfer without the Superintendent's consent shall be void.

12. **Section 359(2).** The Company shall bring to a halt the pattern of questionable claims-handling techniques.

13. **Handling of Maine Claims.** In order that Company claims be handled by persons with sufficient knowledge and experience to meet the requirements of the WCA, the Company shall take the following steps:

    (a) *Maine Claims Handling.* The Company shall minimize, to the extent consistent with proper claims handling, the number of persons assigned to handle WCA claims while this Agreement is in effect. This paragraph does not limit the Company's authority to make routine personnel decisions (promotion, termination, transfer, etc.) as it sees fit.

    (b) *Claims Review.* A Claims Manager who is familiar with WCA requirements shall review and approve all of the Company's claims-handling activities subject to the WCA; establish and maintain, a log of all reviews and approvals made while this agreement is in effect, which must be made available to the Superintendent upon request; and implement the written procedures adopted as required in paragraph 14 below.

14. **Written Procedures.** The Company shall adopt and implement written procedures to ensure that all claims for benefits under the WCA are paid in compliance with Maine law.

    (a) At a minimum, the Company's written procedures must include plans for:

        i. ensuring compliance in the areas identified in the Board's 2022 Audit, including non-filing of forms, late forms filings, and inaccurate indemnity and medical payments.
        ii. ensuring that its policyholders cooperate in, and providing them guidance with respect to, meeting the reporting requirements of the WCA;
        iii. ensuring that TPAs working on behalf of the Company comply with the requirements of the WCA;

iv. maintaining claims payment standards through ongoing internal and TPA education and supervision and policyholder advice and guidance; and

v. implementing adequate claim review procedures, to include monitoring the accuracy and timeliness of WCB form filings and benefit payments.

(b) The Company shall provide a copy of the adopted written procedures along with a description of the plans to implement these procedures to the Superintendent, with a copy to the WCB Deputy Director, MAE Division, within 30 days of the effective date of this Agreement.

(c) Should the Superintendent at any time notify the Company of any concerns with the written procedures, or their implementation, the Company shall remedy those concerns to the Superintendent's satisfaction.

15. **Review of Board Audit.** To determine whether the Company has halted the pattern of questionable claims-handling practices first identified in a review of calendar year 2021 claims, the Superintendent shall review the results of the ongoing audit the Board began on November 20, 2025. The Company shall deliver a copy of the Board's Compliance Audit Report detailing the results of this audit to the Superintendent upon receipt of it.

16. **Penalty.**

(a) The Superintendent may impose a civil penalty of up to thirty thousand dollars ($30,000) if the Compliance Audit Report issued at the close of the audit the Board began on November 20, 2025, shows that the Company has failed to meet or exceed one or more benchmarks.

(b) The Company shall deliver the penalty to the Superintendent within 30 days of receiving the Superintendent's determination that a full or partial penalty will be imposed.

(c) The Superintendent's actions under this paragraph to impose a full or partial civil penalty will be in his sole and absolute discretion. In exercising that discretion, the Superintendent may, when determining the amount of the civil penalty, take into account (i) the number and relative significance of the benchmarks that the Company missed, (ii) the Company's overall compliance with the benchmarks, (iii) the size of the claim population audited, and (iv) other factors deemed relevant to the Superintendent.

(d) Any action that the Superintendent takes under this paragraph will have resulted from the Company's continued failure through the date of claims reviewed in the Board's Compliance Audit Report to halt the pattern of questionable claims-handling techniques established by the Consent Decree. In taking action under this paragraph, the Superintendent may rely on the Board's Compliance Audit Report and any papers or documents provided at the Superintendent's request, as conclusive evidence of the fact and extent of such failure.

(e) Any action taken under this paragraph will not limit further measures, penalties or remedies that the Superintendent or the Attorney General may impose or seek under paragraph 24 below.

17. **Resolution of the Certification.** The Superintendent's authority over the Company pursuant to 39-A M.R.S. § 359 does not expire upon completion of the Company's

obligations under this Agreement but remains in effect until the Superintendent determines that the Company has brought its questionable claims handling techniques to a halt.

18. **Recoupment.** The Company shall not recoup any payments of refunds, interest, or civil penalties made under this Agreement or any costs associated with complying with this Agreement in any future rate adjustments.

V

MISCELLANEOUS

19. **Waiver.** The Company waives:

    (a) formal hearing in this matter;

    (b) its right to appeal from this Agreement;

    (c) objection to or appeal from any action that may be taken by the Superintendent or the Attorney General pursuant to this Agreement, including but not limited to the imposition of the penalties specified in paragraph 16; and

    (d) objection to the Board's release to the Superintendent and the Attorney General of "audit working papers," as defined in Section 153 of the WCA, related to any audit of the Company and, in connection with this waiver, to the use of such papers by the Superintendent and Attorney General for purposes related to the implementation and enforcement of this Agreement.

20. **Public Record.** The Company acknowledges that this Agreement is a public record within the meaning of 1 M.R.S. § 402 and will be available for public inspection and copying as provided for by 1 M.R.S. § 408. It will also be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

21. **Advice of Counsel.** The Company understands that it has the right to consult with counsel before executing this Agreement.

22. **Bound Parties.** This Agreement does not bind any person or entity not a party to this Agreement or limit the Superintendent's ability to seek any available legal remedy for alleged or actual violations of the WCA or the Maine Insurance Code against any Company affiliate or subsidiary not a party to this Agreement or against any entity from which the Company obtains WCA claims administrator services.

23. **Superintendent's Discretion.** Nothing in this Agreement shall limit the ability of the Superintendent, in his sole and absolute discretion, to determine whether the Company has brought to a halt all violations of 39-A M.R.S. § 359(2) established by the Consent Decree, to investigate the:

    (a) handling of the Company's indemnity claims and associated medical payment claims having dates of injury after the end date of the review period covered by the Board's Compliance Audit Report that the Superintendent will review pursuant to paragraph 15.

24. **Further Measures.** In consideration of the Company's execution of this Agreement, which explains how the Superintendent will determine the Company has brought to a halt the questionable claims handling practices identified in the Consent Decree, the Superintendent and the Attorney General agree that paragraph 16 sets forth all disciplinary measures to which the Company may be subject under the Maine Insurance Code for the claims activities subject to review under paragraph 15. However, the Superintendent or the Attorney General may pursue any available legal remedy, including without limitation imposition of additional civil penalties and the limitation, suspension or revocation of workers' compensation authorities issued to the Company by the Superintendent should the Company:

    (a) engage in conduct that violates 39-A M.R.S. § 359(2) after the end of the review period for the Compliance Audit Report identified in paragraph 15;

    (b) violate any provision of this Agreement; or

    (c) otherwise violate Maine law.

25. **Effective Date.** The effective date of this Agreement is the date entered in the Superintendent's signature line below.

26. **Modification.** This Agreement may be modified only by the written consent of all parties.

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ESIS, INC.

Dated: June 1, 2026, 2026

Signed by:
Suresh Krishnan
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Name:
Title:

FOR THE OFFICE OF THE ATTORNEY GENERAL

Dated: June 3, 2026

/s/ Thomas C. Sturtevant, Jr.

Thomas C. Sturtevant, Jr.
Assistant Attorney General

THE SUPERINTENDENT OF THE MAINE BUREAU OF INSURANCE

Dated: June 3, 2026

Robert Carey

Robert L. Carey
Superintendent