



Lima was injured and incurred medical expenses as a result of the accident. Lima was received health benefits from the Oregon Health Plan through the InterCommunity Health Plans, Inc. (ICHP). Virrueta was insured under an automobile insurance policy issued to Martinez by Progressive Northern, an insurer. On 9/17/04, ICHP faxed to Progressive Northern a letter informing Progressive Northern that ICHP “had provided or may provide healthcare services to the Lima family for injuries sustained in this accident,” and requesting Progressive Northern “confirm that Progressive provides liability coverage for this accident.” On the same date, 9/17/04, Progressive Northern received the letter but did not respond. On 11/18/04, ICHP mailed to Progressive Northern a follow up letter asking for a response. On 11/22/04, Progressive Northern received the letter but did not respond. On 12/16/04, ICHP faxed to Progressive Northern another follow up letter asking for a response. On the same date, 12/16/04, Progressive Northern received the letter but did not respond. On 2/24/05, ICHP faxed to Progressive Northern another follow up letter asking for a response. On the same date, 2/24/05, Progressive Northern received the letter but did not respond. On 4/15/05, ICHP mailed to Progressive Northern another follow up letter asking for a response. On 4/19/05, Progressive Northern received the letter but did not respond. On 5/25/05, ICHP mailed to Progressive Northern another follow up letter asking for a response. On 5/31/05, Progressive Northern received the letter but did not respond. Finally, on 7/21/05, Progressive Northern sent a letter to ICHP saying “[t]his will acknowledge your request for reimbursement. At which time the claims for the above captioned individuals are ready to be settled, I will protect your client’s subrogated interests in accordance with the applicable ORS statutes.” Thus, Progressive Northern received, but failed to respond to, five claim inquiry letters dated 9/17/04, 11/18/04, 12/16/04, 2/24/05, and 4/15/05.

#### **Action**

Pursuant to ORS 731.988, Progressive Northern is assessed a civil penalty of \$10,000. The payment shall be made in the form of a check payable to the "Department of Consumer and Business Services" for the full amount due. The

payment shall be delivered to the Insurance Division at the Labor and Industries Building, 350 Winter Street NE, Room 440 (4<sup>th</sup> Floor), Salem, Oregon; or mailed to the Insurance Division at PO Box 14480, Salem, OR 97309-0405. The payment shall be *received* by the Insurance Division by the date of the final order.

Dated December 7, 2006

/s/ Jamie Shull

[Signature of Representative]

Jamie Shull

[Printed Name of Representative]

Injury Process Manager

[Printed Title of Representative]

Progressive Northern Insurance Company

### **FINAL ORDER**

The director incorporates herein the above stipulation, adopts it as the director's final decision in this proceeding, and orders that the action stated therein be taken.

Dated December 18, 2006

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services

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