



State Police arrived at the accident scene. The police officer reported in the accident report that the truck driver said that “he was not paying attention and drifted out of [his] lane and into the [other] lane.” The police officer cited the truck driver for failing to maintain his lane. The driver of the other vehicle filed a claim with Northland for the damages to his vehicle. Northland hired an experienced adjuster to investigate the claim. On 6/27/05, Northland authorized the adjuster to obtain or take photographs of the accident scene and “[c]heck to see if [there is] any indication of where the accident occurred.” On 6/28/05, Northland authorized the adjuster to contact the police to see if they took any photographs of the accident scene and skid marks. In a preliminary report dated 6/29/05, the adjuster reported to Northland that he had taken some photographs of the accident scene, determined that the claimant’s vehicle began to skid in his lane but concluded that “[t]here was no clear indication of a point of initial impact on the asphalt roadway” and “[w]ithout the aid of photos of the insured and claimant vehicles, it is almost impossible to determine whether the insured vehicle turned slightly to the left while progressing southbound in the outside lane, making contact with the claimant, or, whether the claimant turned slightly right and struck the insured first.” On 6/30/05, Northland authorized the adjuster to “obtain plenty of photos of [the claimant’s] vehicle” and the police report. On 7/5/05, Northland received and viewed some photographs of the accident scene and noted in its claim file that “[t]he photos clearly show that [claimant] started his skids from the #1 lane (near the median) and crossed over into the exit lane.” On 7/6/05, the truck driver told Northland that he never left his lane. Later the same date, on 7/6/05, Northland reviewed the police report and noted in its claim file that “[t]he [police report] places fault on the [truck] driver. In a final report dated 7/7/05, the adjuster reported to Northland that “After examining the claimant[’s] vehicle, I am certain our [truck] driver ...swung over into inside lane rather abruptly and hit the rear door of the claimant[’s]...vehicle...” Sometime between 7/7/05 and 7/12/05, Northland received the adjuster’s final report. At this point, Northland’s liability to pay for the damages to the other vehicle became reasonably clear. However, Northland decided

to deny the claim, and the claimant learned through another person that Northland was going to deny the claim. On 8/5/05, the Insurance Division received from the claimant a complaint dated 8/3/05 that Northland had denied the claim. On or about 8/8/05, Northland sent a letter to the claimant denying the claim. The Insurance Division investigated the complaint. On or about 2/16/07, Northland negotiated with the claimant on the amount of the claim and paid the claim.

### **Action**

Pursuant to ORS 731.988, Northland is assessed a civil penalty of \$5,000.00. 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 May 4, 2007

/s/ Daniel R. Moline

[Signature of Representative]

Daniel R. Moline

[Printed Name of Representative]

Senior Counsel and Assistant Secretary

[Printed Title of Representative]

Northland 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 May 30, 2007

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services