

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

In the Matter of **Nationwide Mutual Insurance Company** ) **STIPULATION and**  
 ) **FINAL ORDER**  
 ) Case No. INS 07-09-001

**STIPULATION**

The Director of the Oregon Department of Consumer and Business Services (director) commenced this administrative proceeding, pursuant to Oregon Revised Statutes (ORS) 731.256, to take enforcement action against Nationwide Mutual Insurance Company (Nationwide).

Nationwide desires to conclude this proceeding without a hearing by entering into this stipulation pursuant to ORS 183.415(5).

Nationwide waives all rights relative to an administrative hearing and judicial review thereof.

Nationwide stipulates to the following facts, conclusions, action, and to the issuance of a final order incorporating this stipulation.

**Facts and Conclusions**

Licensing Information

Nationwide has been licensed in Oregon as a foreign insurer since 2/16/56. Nationwide's last recorded principal business address is located in Columbus, Ohio.

Failed to Acknowledge and Act Promptly Upon Communication About Claim

Nationwide is subject to enforcement action pursuant to ORS 746.230(1)(b) because of the following circumstances. ORS 746.230(1)(b) prohibits an insurer or other person from failing to acknowledge and act promptly upon communications relating to claims. On 1/10/06, a person who resided in Oregon was injured in an automobile accident caused by a person insured by Nationwide. On 1/12/06, the person filed a third party bodily injury claim with Nationwide. Nationwide assigned the claim to a claim representative. The claimant received medical treatment for her injuries from a health care provider. On 1/17/06, the

representative called and spoke to the claimant, and sent to the claimant a medical record release authorization form. On 1/31/06, the representative received the medical record release authorization form signed by the claimant, and sent the form to the health care provider. On 4/13/06, the representative called and left a voice mail message for the claimant. On 4/25/06, the claimant called and left a message for the representative that the claimant had completed her medical treatment and was ready to settle her claim. Subsequently, the claimant called and left several voice mail messages for the representative. The representative did not attempt to contact the claimant again until 23 days later on 5/18/06 when the representative called and left a voice mail message for the claimant. Subsequently, the claimant called and left several voice mail messages for the representative. The representative did not attempt to contact the claimant again until 63 days later on 7/20/06 when he called and left another voice mail message for the claimant. Subsequently, the claimant called and left several voice mail messages for the representative. The representative did not attempt to contact the claimant again until 76 days later on 10/4/06 when the representative called and spoke to the claimant. The claimant told the representative that she had completed her medical treatment. The representative requested the medical treatment records. The claimant said that she would request that the health care provider send the records to the representative. On 10/23/06, the representative received the records. Subsequently, the claimant called and left several voice mail messages for the representative. The representative did not attempt to contact the claimant again until seven months later on 5/22/07. On 5/22/07, the claim representative finally contacted the claimant, apologized for the delays, and settled of the claimant's claim.

### **Action**

Pursuant to ORS 731.988, Nationwide is assessed a civil penalty of \$10,000.00. 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 October 16, 2007

/s/ Maury L. Reding

[Signature of Representative]

Maury L. Reding

[Printed Name of Representative]

Vice President Claims

[Printed Title of Representative]

Nationwide Mutual 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 November 8, 2007

/s/ Cory Streisinger

Cory Streisinger

Director

Department of Consumer and Business Services

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