

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-17-0143

USAA General Indemnity Company  
(NAIC # 18600),

Respondent.

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

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the insurance related activities of USAA General Indemnity Company (“USAA”). It has been determined that USAA engaged in activities in violation of ORS 746.230(1)(b) and Oregon Administrative Rules (“OAR”) 836-080-0225(3) and 836-080-0230.

USAA wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, USAA hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. USAA has been licensed in Oregon as a foreign insurer since August 29, 1996. USAA’s NAIC number is 18600.
2. USAA’s principal place of business is 9800 Fredericksburg Road, San Antonio, TX 78288.
3. The Division of Financial Regulation (“Division”) received a complaint from a third party claimant regarding a delay in handling a claim emanating from a motor

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387



1 vehicle accident on November 30, 2015, with an USAA insured.

2 4. On December 1, 2015, the third party claimant and the insured provided  
3 recorded interviews to USAA.

4 5. The third party claimant requested the claim status on December 17, 2015,  
5 and was told erroneously by the USAA adjuster that their insured's statement was needed  
6 to help determine liability.

7 6. USAA's file documentation revealed that the adjuster did not review the  
8 evidence to finalize the liability decision. There was then no action taken by the adjuster  
9 between December 17, 2015, to March 7, 2016.

10 7. On March 7, 2016, the USAA adjuster reviewed the loss location but did not  
11 complete the liability determination.

12 8. On April 8, 2016, the third party claimant's insurance carrier contacted the  
13 USAA adjuster in an attempt to assist the third party claimant, by telling the USAA  
14 adjuster that the third party claimant had taken photos of the accident location on the date  
15 of loss and provided the third party claimant's email address. The USAA adjuster sent an  
16 email to the third party claimant.

17 9. From April 9, 2016, to June 2, 2016, no action was taken by the USAA  
18 adjuster.

19 10. On June 3, 2016, the third party claimant contacted USAA for an update on  
20 the case. He stated that he had not received an email from the USAA adjuster.

21 11. The USAA adjuster sent another email to the third party claimant asking for  
22 the photographs. On July 4, 2016, USAA received the photographs from the third party  
23 claimant.

24 12. On July 5, 2016, a USAA adjuster placed the photos in the claim file but did  
25 not notify the handling adjuster and the photos were disregarded.

26 13. On October 20, 2015, the third party claimant left a message requesting the



1 status of the photos.

2 14. On October 21, 2016, a USAA adjuster confirmed the photos were received  
3 but no additional action was taken.

4 15. On November 7, 2016, the third party claimant called and requested to speak  
5 with the handling adjuster. The claim file documentation did not indicate that the third  
6 party claimant spoke with the adjuster or that a message was left.

7 16. On November 11, 2016, USAA received the Consumer Complaint from the  
8 Division.

9 17. On November 22, 2016, USAA reviewed the evidence in the claim file and  
10 determined that USAA was 100% liable, and the third party claimant was sent the  
11 liability decision letter.

12 18. USAA has acknowledged the violations, as identified above, and coaching of  
13 individual team members has taken place to avoid future violations.

#### 14 CONCLUSIONS OF LAW

15 The Director CONCLUDES that:

16 19. Pursuant to ORS 746.230(1)(b), no insurer or other person shall commit any  
17 unfair claim settlement practices including the failure to acknowledge and act promptly  
18 upon communications relating to claims. USAA failed to acknowledge and act promptly  
19 upon communications related to a claim.

20 20. Pursuant to OAR 836-080-0225(3), an insurer shall make an appropriate  
21 reply, not later than the 30th day after receipt, to all other pertinent communications  
22 about a claim from a claimant that reasonably indicate a response is expected. USAA  
23 failed to make an appropriate reply within 30 days after receipt of communication about a  
24 claim from a claimant that reasonably indicate a response was expected.

25 21. Pursuant to OAR 836-080-0230, an insurer shall complete its claim  
26 investigation not later than the 45th day after its receipt of notification of claim, unless



1 the investigation cannot reasonably be completed within that time. USAA failed to  
2 complete its claim investigation within 45 days of receipt of the claim.

3 22. Under ORS 731.988(1), the Director may impose a civil penalty of up to  
4 \$10,000 *per violation* upon any person who violates a provision of the Insurance Code.

5 ORDERS

6 Now therefore, the Director issues the following Orders:

7 23. As authorized by ORS 731.252(1), the Director Orders USAA to CEASE  
8 AND DESIST from violating any provision of the Oregon Insurance Code or the  
9 administrative rules promulgated thereunder.

10 24. Based upon the foregoing and in accordance with ORS 731.988(1), the  
11 Director ORDERS a CIVIL PENALTY of \$5,000 for failing to acknowledge and act  
12 promptly upon communications related to a claim and complete a claim investigation  
13 within 45 days.

14 25. The CIVIL PENALTY assessed herein is due and payable at the time this  
15 Order is returned to the Division.

16 26. This ORDER is a Final Order under ORS 183.310(6)(b). Subject to that  
17 provision, the entry of this Order does not limit other remedies that may be available to  
18 the Director under Oregon law.

19  
20 SO ORDERED this 6<sup>th</sup> day of February, 2018.

21 CAMERON C. SMITH, Acting Director  
22 Department of Consumer and Business Services

23  
24 /s/ David Tatman  
25 David C. Tatman, Chief of Enforcement  
26 Division of Financial Regulation

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

ENTITY CONSENT TO ENTRY OF ORDER

I, Daniel Dilley, state that I am an officer of USAA General Indemnity Company and I am authorized to act on its behalf. I have read the foregoing order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. USAA General Indemnity Company voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. USAA General Indemnity Company understands that the Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other violations of the Oregon Insurance Code. USAA General Indemnity Company will fully comply with the terms and conditions stated herein.

USAA General Indemnity Company understands that this order is a public document.

USAA GENERAL INDEMNITY COMPANY

/s/ Daniel Dilley  
Signature

State of Texas  
County of Bexar

There appeared before me on this 31<sup>st</sup> day of January, 2018,

Daniel Dilley who was first duly sworn on oath, and stated that he/she was and is an officer of USAA General Indemnity Company and that he/she is authorized and empowered to sign this Consent to Entry of Order on behalf of USAA General Indemnity Company and to bind USAA General Indemnity Company to the terms hereof.

/s/ Jose Sylvestre Lara  
Notary Public

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387

