

## C.A.I.I.A. HELPS THE D.O.I.

The California Association of Independent Insurance Adjusters (C.A.I.I.A.) does have the confidence and ear of the California Department of Insurance (D.O.I.).

The D.O.I., in the person of Charlene Ferguson called the executive offices of the Association and wanted to know if C.A.I.I.A. would recommend that a disaster be declared by the D.O.I. in order to allow non-resident adjusters to come into the State of California to handle recent catastrophes in the State of California, specifically the wind claims occurring in Northern California due to the storms of January 3 to January 6, 2008.

The executive office contacted our current president, Peter Schifrin of Schifrin, Gagnon & Dickey, Inc., and past presidents Doug Jackson of Southwest Claims Service, and Sterrett Harper of Harper Claims Service to discuss the issue. A decision needed to be reached in 15 minutes.

The executive office with the agreement of Schifrin, Jackson and Harper suggested to the D.O.I. that the decision of whether to issue a disaster declaration allowing non-resident adjusters to enter the state rests with the insurance commissioner and not with the C.A.I.I.A. However, the C.A.I.I.A. will back any decision made by the insurance commissioner and the D.O.I. and that it may be necessary under the circumstances.

The executive office, again with the backing of Harper, Schifrin and Jackson, strongly urged the California Department of Insurance to consider using resident adjusters who are well versed in the California Fair Claims Settlement Practices Regulations and handle claims within the State of California. The C.A.I.I.A. suggested that the insurance commissioner state in a press release that it was declaring a disaster to allow non-resident adjusters into the state, but to suggest to the insurance carriers that they use resident adjusters, such as independent adjusters and members of the C.A.I.I.A. first, as resident adjusters have vastly more experience with the Fair Claims Settlement Practices Regulations and are certified in these regulations. Non-resident adjusters would not be certified in the Fair Claims Settlement Practices Regulations and may not give California consumers the same level of expertise and service as resident adjuster and IA's.

The C.A.I.I.A. suggested to Ms. Ferguson that they mention in their press release that the D.O.I. has a list of 1,492 licensed independent adjusters in the State of California that could be utilized. Also, the C.A.I.I.A. suggested that the D.O.I. mention that there are sources available to locate independent insurance adjusters, such as the web site for the C.A.I.I.A., etc.

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California Association of  
Independent Insurance Adjusters



An Employer  
Organization of  
Independent  
Insurance Adjusters

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### Status Report Now Available by E-mail

If you would like to receive the *Status Report* via e-mail please send your e-mail address to [info@caiiia.org](mailto:info@caiiia.org).

## CAIIA Newsletter

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Insurance Adjusters, Inc**

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## PRESIDENT'S MESSAGE

I often speak of my father, Leslie, who was an adjuster for 43 years, including 30 as an independent. He started our company and I owe him so much, including a career.

I also have the great pleasure of working daily with my stepbrother Richard, who is the Partner /Manager in our San Diego office. Suffice it to say I am a proponent of nepotism.

Many of our member firms are family operations, often with second or third generation family members at the helm. Could it be that we don't know any better? I prefer to think we were lucky to be exposed to such an interesting and rewarding profession.

Let me burden you with one of my favorite adjuster stories. A long time ago, when I was dating I was often asked if meeting new women made me nervous. I replied that a blind date was no different than the first meeting with an insured, claimant or witness. Within the first few minutes you need to put the "date" at ease, get them talking and build a rapport. Of course, you don't usually buy them dinner. And you thought adjusting has given you no skills!

The spouses of many CAIIA members are actively involved in their businesses, often working side by side with them. Those who aren't, support their spouses, including tolerating long hours worked during busy times. In spirit with this Status Report being in the Valentine's Day (month) newsletter, let me say that my wife Wendy is definitely my better half!

There has been a tendency during the history of the CAIIA for conventions to be dominated by members attending on their own. Lately, we have seen more attendance by spouses, which I think makes for a more enjoyable event.

At the last annual convention in Ana-



heim the "Adjustables" were in full force. Spearheaded by Gayle Vaughan, wife of our President-Elect, the Adjustables is an "organization" of CAIIA spouses (and female members given special dispensation) that get together and have a great time. At the mid-term convention in late March they will have a group event.

Don't be surprised if you hear from Gayle Vaughan or Wendy with details and encouragement to attend the next Adjustables event.

One business note: We have made a decision to use the CAIIA website database as the source for all CAIIA publications, including the annual Directory. It is therefore imperative that the listing stay up to date. If we haven't yet, we will soon remind you how to change your listing(s) on your own.

If you have any suggestions, questions or just want to say hello, please don't hesitate to call or email me.

**PETER SCHIFRIN**

*President - CAIIA 2007-2008*

# Commissioner Poizner Fines Palos Verdes-based Company for Illegally Adjusting Insurance Claims in South Lake Tahoe

## *Paramount Disaster Recovery, Inc. to Pay \$275,000 Penalty; Cease Operating as Public Insurance Adjusters in California*

SACRAMENTO Today Insurance Commissioner Steve Poizner announced a settlement with Paramount Disaster Recovery, Inc. (Paramount), a California corporation based in Palos Verdes, its CEO Steve Slepcevic, 39, of Palos Verdes, Matthew Todd, 48, of Redondo Beach, and Charlie R. Rose (aka Reed Lostman), 43, also of Redondo Beach, in which the collective group will pay a \$200,000 penalty, reimburse the State of California \$75,000 for litigation costs, and refrain from operating as unlicensed insurance claims adjusters in California.

“I am pleased that we could take these unscrupulous characters out of the post-disaster marketplace,” stated Commissioner Poizner. “Working as an unlicensed public insurance adjuster victimizes fire survivors twice and is, frankly, unfair to reputable public insurance adjusters.”

On August 2, 2007, Paramount, Slepcevic, Todd and Rose were served with a cease-and-desist order (Order) for allegedly posing and operating as public insurance adjusters. Todd and Rose, on behalf of Paramount, were purportedly securing insurance jobs from Angora (South Lake Tahoe) Fire survivors trying to rebuild in the wake of that disaster. The investigation leading to the Order was conducted by the California Department of Insurance’s (CDI’s) Investigation Division.

Neither Paramount, Slepcevic, Rose nor Todd are licensed by CDI to act in the capacity of a public insurance adjuster. The lack of such a license means they have not demonstrated the proper training, possession of surety bonds, or knowledge of rules of solicitation, such as waiting seven calendar days after access is granted to a disaster site before soliciting homeowners. These requirements are designed to protect the public, particularly in times of crisis, from being exploited by unscrupulous actors.

The group did not admit or deny the facts contained in the Order, which was upheld by the settlement and specifically alleges that in at least two cases Rose, Todd and Slepcevic represented Paramount in the solicitation of South Lake Tahoe property owners within the seven calendar day waiting period to estimate the homeowners’ loss from the Angora Fire, negotiated settlements with the homeowners’ insurance company, and entered into contracts with the homeowners for public insurance adjusting services.

The contract entered into by the homeowners guaranteed Paramount 20 percent “of the total full amount of the loss settlement negotiated with and agreed to by the Client’s Insurance Company” if Paramount did not perform the work they recommended. This arrangement clearly places Paramount’s financial interests ahead of the insureds’ interests. By comparison, licensed public insurance adjusters are not permitted to build or repair the properties, thus removing the inherent conflict of interest.

## THE CALIFORNIA ASSOCIATION OF INDEPENDENT INSURANCE ADJUSTERS



### PROUDLY PRESENTS CAIIA's SEED Program

#### Insurance Adjuster Training for Evaluating Earthquake Damage

and

#### Fair Claims Settlement Practices & SIU Regulations Seminar

March 20, 2008

Pleasanton, CA

"Planting the SEED of  
Knowledge"

As an authorized California DOI education provider (CDI# 20638), the CAIIA will be presenting its first 2008 SEED (Seminar for the Evaluation of Earthquake Damage) program seminar. The SEED program addresses the training and certification required by CCR, Title 10, Chapter 5, Subchapter 7.5.1, Article 1, Section 2695.40 through Section 2695.45. Those regulations set forth the requirements of Insurance Adjuster Training for Evaluating Earthquake Damage which are now required for any insurer who may have earthquake claims in the state of California. As an added bonus, we will be providing SIU Regulations certification.

**Location:**

Four Points Hotel Pleasanton  
5115 Hopyard Road  
Pleasanton, CA 94588

(925) 460-8800

Name \_\_\_\_\_

Co. \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Fees (circle one):

|                       |          |
|-----------------------|----------|
| CAIIA Member fee      | \$ 90.00 |
| Ins. Co. Employee fee | \$100.00 |
| Non-Member I/A fee    | \$199.00 |

Amount Enclosed - \$ \_\_\_\_\_

**Payment must accompany registration.**

Credit Card Pymt: Am Ex \_\_\_ Visa \_\_\_ M/C \_\_\_\_\_  
Cardholder: \_\_\_\_\_  
Card No.: \_\_\_\_\_  
Card No.: \_\_\_\_\_  
Expiration Date: \_\_\_\_\_  
Verification Code: \_\_\_\_\_  
Signature: \_\_\_\_\_

**Make checks payable to CAIIA.**

Mail registration and payment to:

CAIIA c/o Peter Schiffrin  
Schiffrin, Gagnon & Dickey, Inc.  
9255 Corbin Avenue  
Suite 200  
Northridge, CA 91324

**Questions?**

Call or E-mail Peter Schiffrin  
(818) 734-0215  
pschiffrin@sgdinc.com

**Schedule:**

|              |                         |
|--------------|-------------------------|
| Registration | 8:00 a.m. to 9:00 a.m.  |
| FCSPR & SIU  | 9:00 a.m. to 10:15 a.m. |
| SEED Seminar | 10:30 a.m. to 5:00 p.m. |

Please visit [www.caiia.com](http://www.caiia.com) for more information.

\*CAIIA will agree to offset any membership dues for Non-CAIIA Independent Adjusting Firms joining the CAIIA within 30 days, up to \$80.00 total for each adjuster, from non-member firm with a cap of \$160.00.

# Weekly Law Resume

Prepared by Low, Ball & Lynch, Attorneys at Law, San Francisco, CA

## Bad Faith - UIM Coverage - Investigation

*Reagan Wilson v. 21st Century Insurance Company*, (November 29, 2007) California Supreme Court

The duty of an insurance company to investigate a first party insurance claim and the ability to rely upon the genuine dispute doctrine were examined in this California Supreme Court case.

Reagan Wilson was injured in an accident with a drunk driver. She appeared to have minor injuries. However, she continued to complain of neck and shoulder pain. Her doctor prescribed physical therapy. He thereafter referred her to an orthopedic surgeon. He diagnosed degenerative disc changes as a result of the accident.

Ms. Wilson submitted an underinsured motorist claim to 21st Century Insurance Company after settling with the insurer for the drunk driver for \$15,000. She demanded \$85,000, the policy benefits remaining after deduction of the \$15,000 received from the other driver. During this time Ms. Wilson, a student, traveled first to Europe and then to Australia for her education. After review of the material submitted, 21st Century concluded that Ms. Wilson had a pre-existing condition and that her travels indicated a minor claim. 21st Century rejected the claim, indicating Ms. Wilson had been fully compensated.

Ms. Wilson initiated arbitration proceedings. Meanwhile, she continued to treat. She saw other physicians as well. One recommended spinal fusion surgery. Another recommended pain management. Ms. Wilson pursued the pain management modality.

During the arbitration proceedings, Ms. Wilson was deposed. When 21st Century learned that one physician had recommended surgery, they arranged an examination of her. The examiner recommended surgery. At that point, 21st Century paid the remainder of their policy.

Ms. Wilson sued 21st Century for breach of the covenant of good faith and fair dealing resulting from a two-year delay in the payment of benefits. 21st Century moved for summary judgment on the ground that their decision was reasonable as a matter of law and there was a genuine dispute as to whether she was entitled to any further benefits. The trial court granted the motion. The Court of Appeal reversed. The Supreme Court granted 21st Century's petition for review.

In a 5-2 decision, with one of the majority justices being replaced by a Court of Appeal justice, the Supreme Court affirmed the Court of Appeal. The basis for their decision was that a jury could reasonably find 21st Century reached a medical conclusion in denying the claim without a good faith investigation and without a reasonable basis for a genuine dispute. The Court stated an insurer may not deny a claim without a reasonable investigation. The Supreme Court stated a triable issue existed whether such an investigation occurred in this case. The Court refused to state what was required to constitute a reasonable investigation. The Court stated that was a question of fact to be evaluated in light of the totality of the circumstances surrounding the action. In some cases, a claim might be denied based solely on the records submitted without further investigation. In this case, it was unclear whether it was reasonable to deny the claim without further medical investigation. As such, a question of fact existed which warranted denial of the summary judgment.

The Court further indicated the genuine dispute doctrine could not apply in this case because there was a question as to whether a thorough and fair investigation had been conducted. A genuine dispute cannot exist where a jury could conclude the insurer acted unreasonably. In this case, the genuine dispute doctrine could not apply as a bar because there were factual issues as to whether the investigation was reasonable.

21st Century was therefore not entitled to judgment as a matter of law and the trial court erred in granting the summary judgment. The judgment of the Court of Appeal was affirmed.

The dissent stated, based upon the minor injuries sustained after the accident, Ms. Wilson's travels following the accident, her small medical bills and the lack of any recommendation for surgery until two years after the incident, 21st Century acted reasonably as a matter of law in the handling of this claim. Summary judgment was proper if the insurance company acted reasonably and legitimately disputed coverage. The dissent felt the fact that the plaintiff's own experts could not agree on the extent of her injuries showed that 21st Century acted reasonably.

### COMMENT

While upholding the Court of Appeal decision, the Supreme Court backed away from language in the Court of Appeal decision, which seemed to impose a mandatory duty on the insurer to conduct certain types of investigations in cases of this nature. While the decision will certainly drive up the cost of handling these types of claims due to fear of a claim of inadequate investigation, the decision is helpful in adopting the genuine dispute doctrine for both factual and legal disputes.



**California Association of Independent Insurance Adjusters  
MIDTERM CONVENTION – March 27 & 28, 2008**

***Sahara Hotel and Casino***

Las Vegas, NV  
**(866) 382-8884**

Mention CAIIA for special room rates  
**Attendees must make their own hotel reservations**

Your Name \_\_\_\_\_ Significant Other \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone \_\_\_\_\_ Fax \_\_\_\_\_  
 E-Mail \_\_\_\_\_

| EVENT   | COST                              | TOTAL    |
|---|-----------------------------------|----------|
| Registration Package – members with significant other | \$ 150.00                         | \$ _____ |
| Registration Package – members w/o significant other  | \$ 100.00                         | \$ _____ |
|   | <b><i>Grand Total Payable</i></b> | \$ _____ |

**Please make your checks payable to CAIIA  
or pay by credit card.**

**SCHEDULED EVENTS**

|      |            |                      | <i>You</i> | <i>Other</i> |
|------|------------|----------------------|------------|--------------|
| 3/27 | 6:00 P.M.  | Dinner               | [ ]        | [ ]          |
| 3/28 | 8:00 A.M.  | Breakfast            | [ ]        | [ ]          |
| 3/28 | 9:00 A.M.  | Business Meeting     | [ ]        | [ ]          |
| 3/28 | 12:00 P.M. | Lunch                | [ ]        | [ ]          |
| 3/28 | 12:00 P.M. | Adjustabelle's Lunch | [ ]        | [ ]          |

**Mail Registration form  
and payment to:**

SGD  
9255 Corbin Avenue, Suite 200  
Northridge, CA 91324-2401

Questions?

Contact Peter Schifrin  
818-909-9090  
pschifrin@sgdinc.com

Credit Card: AMEX \_\_\_\_\_ VISA \_\_\_\_\_ M/C \_\_\_\_\_

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Card Verification Number: \_\_\_\_\_

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# CELEBRATING 20 YEARS OF EDUCATION

## Conference Registration Form

March 11-12, 2008 \* Pacific Palms Conference Center \* Industry Hills, California

Questions, please call: 888.811.6930 or email: info@combinedclaims.com

### Registration Information:

Please fill out this registration form completely. One registration form per person. Photocopies accepted

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Conference registrations include parking at the conference center, continental breakfast, breaks and lunch on the day(s) you are attending as well as admission to all sessions, any handouts provided, and a conference program.

### Conference Fees:

Conference registration is discounted for certain fields in the insurance and claims industry. The nature of my work is:

- Claims       Insurance Carrier       Risk Management
- Attorney       Private Investigation

Yes, I work in the fields checked above. Please register me for the following rate:

- Two Day Conference Registration      \$190.00
- One Day (Tuesday, March 11, 2008)      \$95.00
- One Day (Wednesday, March 12, 2008)      \$95.00

No, I do not work in the fields listed above. Please register me for the following rate:

- Two Day Conference Registration      \$400.00
- One Day (Tuesday, March 11, 2008)      \$200.00
- One Day (Wednesday, March 12, 2008)      \$200.00

Payment - Checks, American Express, Master Card and Visa accepted.

Mail form and check or credit card information to: CCC - 1880 Radcliff Ct - Tracy, CA 95376 or by fax to 888.969.6922 if paying by credit card.

By Credit Card      Authorization for payment in the amount of \$ \_\_\_\_\_

Credit Card Number: \_\_\_\_\_ Exp Date: \_\_\_\_\_ Security Code: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Name on Card: \_\_\_\_\_ Signature: \_\_\_\_\_

By Check      Check Number: \_\_\_\_\_ in the amount of \$ \_\_\_\_\_

Questions, please call: 888.811.6930 or email: info@combinedclaims.com

### Session Sign-Up:

For purposes of seating/handouts, please select the sessions and events you plan on attending.

#### Tuesday, March 11, 2008

##### 9-10:15am

- GENERAL SESSION - Claims Professionals Have Emotions Too

##### 11-Noon

- Track 1 (Liability)      Liability Claims Lifecycle/Performance Measurement
- Track 2 (Property)      Property Subrogation in an Hour
- Track 3 (ISC)      Dispelling Myths and Folklore in Chiropractic Care

##### Noon-1:30pm

- Lunch - CA Insurance Commissioner Steve Poizner (Invited Speaker) Dessert in the Exhibit Hall

##### 1:30-2:30pm

- Track 1 (Liability)      Jury Verdicts
- Track 2 (Property)      Resolving "Problem" Property Claims
- Track 3 (ISC)      Identity Theft - Its Causes and Cures

##### 3:15-4:15pm

- Track 1 (Liability)      How Litigation is Affected by Technology
- Track 2 (Property)      Restoring Sunken Treasures
- Track 3 (ISC)      The Anatomy of a Medical Mill

#### Wednesday, March 12, 2008

##### 9-10:15am

- GENERAL SESSION - If You Can Drive a Car You Can Change Your Life

##### 11-Noon

- Track 1 (Liability)      Reflex Sympathetic Dystrophy/Pain Syndromes
- Track 2 (Property)      Handling Property Claims, Avoiding Bad Faith
- Track 3 (ISC)      Injury Causation Analysis

##### Noon-2

- Lunch and Awards - Dessert in the Exhibit Hall

##### 2-3pm

- Track 1 (Liability)      Changing the Claims Game
- Track 2 (Property)      Event Data Recorders - What They Do For You
- Track 3 (ISC)      The Anatomy of Staged Collisions

##### 3-4:15pm

- CLOSING SESSION - The Reality of Minor Impact Collision Dynamics



## **Subject: Top this for a speeding ticket**

Two California Highway Patrol Officers were conducting speeding enforcement on I-15 near MCAS Miramar. One of the officers was using a hand held radar device to check speeding vehicles approaching near the crest of a hill.

The officers were suddenly surprised when the radar gun began reading 300 miles per hour. The officer attempted to reset the radar gun, but it would not reset and turned off.

Just then a deafening roar over the treetops revealed that the radar had in fact locked onto a USMC F/A-18 Hornet which was engaged in a low flying exercise near the location.

Back at the CHP Headquarters the Patrol Captain fired off a complaint to the USMC Base Commander.

Back came a reply in true USMC style:

Thank you for the message, which allows us to complete the file on this incident. You may be interested to know that the tactical computer in the Hornet had detected the presence of, and subsequently locked onto your hostile radar equipment and automatically sent a jamming signal back to it. Furthermore, an air to ground missile aboard the fully armed aircraft had also automatically locked onto your equipment. Fortunately the Marine Pilot flying the Hornet recognized the situation for what it was, quickly responded to the missile system alert status and was able to override the automated defense system before the missile was launched and your hostile radar was destroyed. Thank you for your concerns.