WWW.PUGETSOUNDADJUSTERS.ORG January 2019 Vol. 8 No. 5

PSAA
Puget Sound Adjusters Association

~ Our Mission ~

"A professional organization dedicated to the ongoing education of the claims community. Providing an arena for member interaction and the sharing of resources."

Next Regular Meeting: January 18, 2019
Renaissance Hotel, Seattle
— See page 2 for details

Plan to join us for the 8th Annual PSAA Spring Symposium March 15, 2019

SYMPOSIUM AGENDA

Renaissance Hotel ~ Seattle, WA

~ CE and CLE credits pending ~

7:30am	**Registration & Vendor Fair Opens**
8:00am	**PSAA Welcome and Orientation** *— PSAA Vice President Deanna Boras, PSAA Past President and Education Chairman Roger Howson, and PSAA Past President and Treasurer Lizzy Adkins*
8:15 - 9:30am	**AUTO INTELLIGENCE** *— Adam Cyr and Brendan Morse with ARCCA, Ulises Castellon with Fire Cause Analysis, and PSAA Past President John Walker Jr. of Frontier Adjusters* New advancements in automotive technology: EDRs, Infotainment Systems, and Autonomous Driving make driving safer and our driving habits more transparent, but the unintended consequences are that vehicle claims have become much more complicated, costly, and bitterly contested. We will learn the legal, logistical, and technological challenges of auto claims adjusting and dispute resolution in 2019.
9:30 - 9:45am	**BREAK & VENDOR FAIR**
9:45- 11:00am	**THE KEODALAH BLUES [See article on this topic on page 3]** *— Dan Thenell with the Thenell Law Group, and Paul Rosner with Soha and Lang* Now that adjusters, attorneys, and anyone else working on an insurance claim can be personally sued for bad faith, the Washington's Supreme Court has been asked to reverse the Superior Court ruling. We will hear from the two attorneys who wrote the amicus briefs on behalf of the insurance industry, and they will tell us what the Supreme Court ruling means for all claims professionals moving forward.
11:00- 12:00pm	**LUNCHTIME** Lunchtime is our opportunity to network with our fellow PSAA members, take time to get to all of the exhibitors at the Vendor Fair, and follow-up with any questions we might have for the presenters.
12:00– 1:15pm	**FIT (Fraud Indicators and Technology) BITS** *— Rick Wathen and Rory Leid with Cole, Wathen, Leid, & Hall Law, and Alex Boras with Geico's SIU* Learn many of the new and innovative ways that bleeding edge technology is being used to defraud insurance companies, and what technological (and procedural) advances the insurance industry is developing to beat these criminals at their own game. Find out about the many symptoms and solutions currently in use for fighting back against the increasing proliferation of fraudulent insurance claims.
1:15– 2:30pm	**THE ABC's of ADR** *— Tom Lether of Lether & Associates, and Gary Halpin with Arbitration Mediation & Conciliation Center* Some claims just won't settle, and that's why alternative dispute resolution was invented. But we still need to know why, when, and how to litigate, mediate, arbitrate, and/or demand appraisal because different claims (and different claimants) may require different ADR remedies. These two ADR veterans will coach us through many settlement strategies, preparation, execution, resolution, and follow-up.
2:30- 3:00pm	**RAFFLES, VENDOR APPRECIATION**

To sign up please go to:
www.pugetsoundadjusters.org/calendar

2018-19 PSAA OFFICERS

PO Box 58083, Tukwila, WA 98138

Jason Runyon ..... President
Norcross/McLarens
206/367-5580, jrunyon@mclarens.com

Deanna Boras ..... Vice President
Frontier Adjusters
425/409-4544, dboras@frontieradjusters.com

Joel Mattes ..... Secretary
Frontier Adjusters
425/757-7318, jmattes@frontieradjusters.com

Lizzy Adkins ..... Treasurer
Norcross/McLarens
253/376-8085, ladkins@mclarens.com

Keely Abbas ..... Vendor Partner
Crawford & Co.
406/439-6932, keely_abbas@us.crawco.com

Position Open ..... Vendor Partner

Roger Howson ..... Editor & Education Chair
Claims Dispute Resolution
206/676-3851, rhowson@icdrinc.com

John Walker Jr ..... Immediate Past President
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PSAA 2018-19 Committee Liaisons

Holiday Party: Jason Runyon, Chair
jason.runyon@norcross.com

Bowling: Joel Mattes, Chair
jmattes@frontieradjusters.com

Symposium: Deanna Boras, Chair
dboras@frontieradjusters.com

Symposium Vendor Fair: Lizzy Adkins, Chair
ladkins@mclarens.com

Golf: Lizzy Adkins, Chair
ladkins@mclarens.com

Website: Barb Tyler, Liaison
npassist@msn.com

Social Media: Jason Runyon, Chair
jrunyon@mclarens.com

Legal Update Presenter:
Aaron Young, Brown Bonn & Friedman, LLP

PSAA Executive Assistant & Publisher

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PSAA Next Luncheon Mtg

Next Meeting: **January 18, 2019**

Time: 11:30am to 1:30pm

Location: **Renaissance Seattle Hotel**
515 Madison Street
Seattle, WA
206/583-0300 www.marriott.com/Seattle

Cost: Claims Personnel—Active Member Status
No charge for lunch or parking

Vendors & Non-Members
$35 if paid in advance ($50 @ door)
Parking $12

Presentations: "Marijuana Fire Claims" with Electrical Engineer Sam Shuck of Jensen Hughes and Legal Update with Aaron Young, of Brown Bonn & Friedman, LLP

Sponsors: SERVPRO Fire & Water - Cleanup & Restoration, ERS, ART, Crawford U.S. Property & Casualty

To sponsor a meeting contact Keely Abbas.

To RSVP or to stay in touch with PSAA use our social media tools listed below!

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President's Choice Charity for 2018-19
Permission To Start Dreaming

To submit an article to this publication contact Barb Tyler at npassist@msn.com

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Keodalah v. Allstate Ins. Co.

Reprinted with permission from Randy Maniloff of White and Williams, LLP. First printed January 3, 2019 in Coverage Opinions.

Intro

For the past 18 years, Randy Maniloff of White and Williams, LLP in Philadelphia has published a special edition of his Coverage Opinions Newsletter on the year's ten most significant liability insurance coverage decisions. The Keodalah v. Allstate decision by the Washington Court of Appeals, which held that adjusters can be personally sued for bad faith and for violations of Washington's Consumer Protection Act, made the list of the "Ten Most Significant Insurance Coverage Decisions Of 2018."

Paul Rosner of Soha & Lang, P.S. in Seattle examines the implications of the Keodalah decision as a guest author for the 2018 edition of this top ten list. Mr. Rosner's article, which was originally published in the January 3, 2019 edition of Coverage Opinions, is republished here with permission of Mr. Maniloff and Mr. Rosner. For more information about Coverage Opinions, go to http://www.coverageopinions.info/index.html. Soha & Lang's website, which provides updates on insurance law focused on the Pacific Northwest, is at http://www.sohalang.com/.

Keodalah v. Allstate Ins. Co., 413 P.3d 1059 (Wn. App. 2018), review granted 191 Wn.2d 1004 (2018)

Court Holds That An Insurance Adjuster Can Be Liable For Bad Faith

Guest Author: Paul Rosner, Soha & Lang, Seattle

Cases addressing whether an insurance adjuster (and not simply the insurer) can be liable for bad faith don't come about every day. But they are not total eclipses either. However, when this type of bad faith question does arise, it often involves the conduct of an outside adjusting company. But in Keodalah v. Allstate Insurance Co., the Washington Court of Appeals examined whether an adjuster, employed by an insurer, could be liable for bad faith. The answer – yes (as well as for violation of the state's Consumer Protection Act).

Keodalah is now before the Washington Supreme Court. So it could become much ado about nothing (or quite the opposite). But even if the Washington high court reverses, I believe that the decision, which is probably the most publicized on the adjuster/bad faith issue, shed a light on it. That could make it more mainstream and increase the frequency of policyholders nationally asserting it. In fact, just the threat of asserting bad faith, against an adjuster, could be influential in the claims process. Might an adjuster, facing the threat of a personal bad faith claim, and all that will flow from that, have a change of heart in its handing of a claim? Policyholders will no doubt try to exploit that. For these reasons, Keodalah, despite its final outcome being in limbo, merited inclusion as one of the year's ten most significant coverage decisions.

To examine Keodalah I turned to a guest author – Paul Rosner of Seattle's Soha & Lang. Paul knows Washington coverage law like the place knows apples. I'm thrilled to have one of Washington's brightest coverage lights discuss Keodalah and its potential impact here.

***

On March 26, 2018, Division One of the Washington Court of Appeals held in Keodalah v. Allstate Ins. Co. that an individual insurance adjuster, as distinct from the employing insurer, may be liable for common law bad faith and violation of the Washington Consumer Protection Act ("CPA"). In Keodalah, the court analyzed RCW 48.01.030 which "imposes a duty of good faith on all persons engaged in the business of insurance," and found that the definition of "person" included individual adjusters acting within the scope of their employment. The court similarly found that individual adjusters could be liable for violating the CPA because application of the statute did not require proof of a consumer transaction between the parties. The court therefore reversed and remanded the trial court's dismissal of claims brought by the insured against the Allstate insurance adjuster who handled Keodalah's claim.

The Court of Appeals decided the issue at the pleading stage based on the insured's allegations, which were as follows. The claim at issue was tendered to Allstate seeking underinsured motorist ("UIM") coverage after its insured was involved in a collision where a motorcyclist struck his truck while crossing an intersection, killing the motorcyclist and injuring Keodalah. The facts uncovered by the Seattle Police Department ("SPD") investigation, Allstate's witness interviews, and the accident reconstruction firm hired by Allstate to analyze the collision all suggested that the motorcyclist was at fault and that his "excessive speed" caused the

Save these dates in 2019

Feb 15	Broken Valentine Bowl-A-Thon at ACME Bowl
Mar 15	Claims Carnival & Vendor Circus at Renaissance Hotel (Annual Symposium)
April 19	Golf Tournament Hole Sponsor Breakfast Auction at Northshore Golf Course
May 17	Past Presidents and Vendor Appreciation Luncheon at Renaissance Hotel
June 21	PSAA Annual Golf Tournament at Northshore Golf Course

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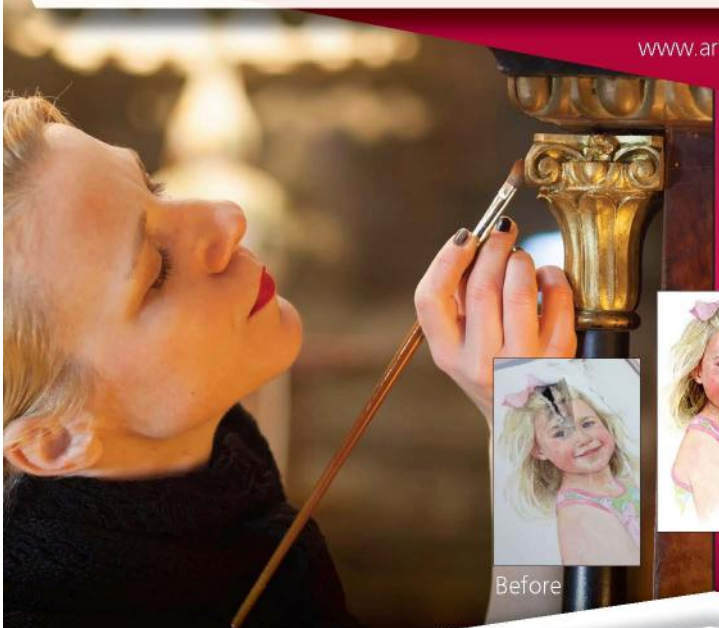

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collision. Keodalah requested that Allstate pay him the $25,000 limit of his UIM policy. Allstate refused, making a series of offers to settle the claim.

Keodalah filed suit asserting a UIM claim. During discovery, the adjuster was designated as Allstate's Civil Rule 30(b)(6) deposition representative. The adjuster contradicted the conclusions reached by the SPD and Allstate's accident reconstruction analysis by claiming, for example, that Keodalah had run the stop sign and had been on his cell phone at the time of the accident. At trial, Allstate continued to contend that Keodalah was 70 percent at fault. The jury determined that the motorcyclist was 100 percent at fault and awarded Keodalah $108,868.20 for his injuries, lost wages and medical expenses.

Keodalah filed a second lawsuit against Allstate that included claims against the adjuster for bad faith and CPA violations. Allstate moved to dismiss the claims on the pleadings under CR 12(b)(6). The trial court dismissed the claims against the adjuster and certified the issue for interlocutory appeal. The Court of Appeals disagreed and concluded that the bad faith and CPA claims against the adjuster could proceed. The Court found that Washington law imposes a duty of good faith on the adjuster, not just the employer, and applies equally both to individuals and to corporations acting as insurance adjusters. The Court of Appeals similarly found that the adjuster could be liable for a CPA violation even absent the existence of a contractual relationship between Keodalah and the adjuster.

Keodalah constitutes an expansion of the law. In reaching its conclusion, the Court of Appeals declined to follow prior intermediate appellate court and federal trial court decisions that had reached the opposite result. Keodalah is troubling on multiple levels and raises practical concerns about the adjustment process and coverage litigation in Washington and beyond. In litigation, primary motivations for suing claim handlers may include intimidation and the destruction of federal court diversity jurisdiction when the adjuster resides in Washington State. Thus, the impacts may be tactical and procedural.

Indeed, relying on Keodalah, two Washington federal district courts have remanded cases that insurers had removed to federal court after the insureds added claims against the individual adjusters. Tidwell v. Gov't Employees Ins. Co., No. C18-318RSL, 2018 WL 2441774 (W.D. Wash. May 31, 2018); Mort v. Allstate Indem. Co., No. C18-568RSL, 2018 WL 4303660 (W.D. Wash. Sept. 10, 2018). It remains to be seen whether out-of-state insurers will shift claims

handling responsibilities to out-of-state adjusters to preserve diversity jurisdiction.

In addition to destroying diversity when a claims handler is a Washington resident, policyholder counsel may seek a strategic advantage by holding the insurer's employee hostage to the financial and collateral consequences of being a defendant in a civil suit for damages. Moreover, adding claims handlers as defendants will increase the complexity, contentiousness, and cost of litigation.

Insurers can ameliorate the financial impact on their employees by agreeing to defend and indemnify adjusters when they are sued. However, the threat of being personally named as a defendant in a lawsuit may intimidate individual adjusters and other claims professionals, which could result in slowing down the claims handling process as claims handlers become even more cautious in their claims handling decisions. Decision makers may proactively file declaratory relief actions more frequently to protect themselves and their employees. Keodalah may also impact the industry's efforts to recruit millennials.

Keodalah is especially troubling because, unlike most states where bad faith requires more than negligent conduct, as noted by Washington Supreme Court Justice Madsen in Xia v. ProBuilders Specialty Ins. Co., 188 Wn.2d 171, 196, 400 P.3d 1234 (2017), the Washington Supreme Court has found bad faith as a matter of law when an insurer merely failed to "anticipate whether and how the law might change." It is bad enough that insurers are held to such an unreasonable standard in Washington. Holding adjusters to such a standard is even more unjust and unconscionable.

There is some good news, however. First, the Washington Supreme Court has accepted review of Keodalah. Although the Washington Supreme Court is no friend of the insurance industry, the Court may be persuaded that justice is not served by foisting bad faith claims on individual adjusters and that insurers should be encouraged rather than discouraged from using in-state adjusters.

Second, Keodalah appears to be another Washington anomaly unlikely to be widely adopted. Most courts that have addressed the issue have rejected attempts to impose liability on insurance adjusters. See 14 Steven Plitt et al., Couch on Insurance § 208:10 (3d ed. 2005 & Supp.2014) ("Liability for conduct of adjusters and investigators employed by the insurer directly generally falls primarily on the insurer in its status as the employer, and personal liability is unusual.") The author is aware of only two states besides Washington, Alaska and New Hampshire, that

have held that an adjuster owes a duty of care to an insured. C.P. ex rel. M.L. v. Allstate Ins. Co., 996 P.2d 1216 (Alaska 2000) (holding that adjuster has a duty to exercise reasonable care in connection with claims by insureds that are assigned to adjustor for investigation, evaluation and settlement.) Morvay v. Hanover Ins. Companies, 127 N.H. 723, 506 A.2d 333 (1986) (holding that claims adjusters owe a duty to the insured to conduct a fair and reasonable investigation of an insurance claim.) Accordingly, while some states that have not addressed the issue may adopt this minority rule, the impact of the decision outside of Washington should be limited.

Hopefully, the Washington Supreme Court will rule there is no basis for adjuster liability under common law agency principles, the common law bad faith tort, or under RCW 48.01.030. ❖

Paul Rosner, J.D., CPCU, has worked in the property and casualty field since 1989. He is a former casualty adjuster, large loss property adjuster, claims supervisor, and claims manager. In 2005, he received his J.D., summa cum laude, from Southwestern Law School, where he served as Lead Articles Editor for the Southwestern Law Review. As an attorney, he focuses his practice on property and casualty insurance coverage and bad faith litigation in both Washington and Oregon. He has also served as an expert witness on insurance bad faith and claims handling.

Paul earned the designation of Chartered Property Casualty Underwriter (CPCU) in 2008. Since then, he has been an active member of the CPCU Society both locally and nationally. He served as President of the Pacific Northwest (Seattle) Chapter and is currently Chair of the CPCU Society's Coverage, Litigators, Educators, & Witnesses (CLEW) Interest Group.

Paul is also an active member of the Claims & Litigation Management Alliance (CLM). He has served as President of the Seattle CLM Chapter, CLM's State Co-Chair, and Education Director.

Paul is a frequent author and lecturer on insurance coverage and bad faith issues including chapter co-author for the Washington Motor Vehicle Accident Insurance Deskbook (2008 Supplement), co-author of the Oregon and Washington chapters of "Insurance Bad Faith, A Compendium of State Law" (2010 and 2015 Editions), and co-author of Chapter 8, "Insurance-Specific Issues in Coverage and Bad-Faith Litigation" in "Washington Insurance Litigation Practice Guide" (2014-2015 Edition). He is a regular contributor to the Soha & Lang, P.S. Coverage Blog and the Around the Nation column of Claims Management Magazine. His lectures include presentations to attorneys and insurance professionals.

When not practicing law Paul enjoys spending time with his family, running, hiking, camping, and mountain biking.

Be sure to attend the Spring Symposium on March 15 to hear discussion on this topic by author Paul Rosner of Soha & Lang and also Dan Thenell of Thenell Law Group.

Sign up at www.pugetsoundadjusters.org/calendar

Claims Conversation

with **Roger Howson,** Claims Dispute Resolution, PSAA Newsletter Editor & Education Chair, TCAA Past President

As a voracious reader who loves to learn, I was skeptical when (many decades ago) one of my graduate school professors claimed to read several hundred books every year. He explained that as an academic specializing in adult development he is expected to keep up with the dozens of popular culture self-help books published month after month in addition to the more scholarly journals and texts regularly pumped out by his fellow professors ("publish or perish").

He confessed to struggling (and failing) for years to keep up with the endless volume of new information. He said the frustration and stress was ruining his lifelong love of books by making the simple act of reading an onerous chore instead of a chosen pleasure.

One day while sorting through a stack of books deciding which one to read first, he made a startling discovery that changed his life and saved his career. He realized that most of these books were based on a single, simple premise that could easily be summarized in a single paragraph, page, or, at most, a chapter. Since no one would pay a book price for a single paragraph, page, or chapter, the author was forced to flesh out their idea into a book-length presentation.

Armed with this revelation he approached books and reading in a much different manner. He developed a multi-stepped process that saved him money (he didn't have to purchase nearly as many books), time (this new process greatly reduced how long it took him to "read" an entire book), and stress (he found himself reading for enjoyment again).

Knowing that most books (we're talking about non-fiction, not literature) contain one major theory, narrative, and/or instruction, he could ascertain most of what the author had to say by the title and the summary on the book flaps. In most cases that told him everything he needed to know from that book. He would credit himself with having "read" the essence of the book.

If, after looking at the title and reading the book flaps, he was still interested he would read through the chapter headings. The name and order of the chapters provided additional background information to clarify the title and summary. If some of the chapter headings appeared intriguing, he would

read the first paragraph of those chapters. He said that good writers summarize the content of the chapter in that first paragraph… all the other pages of paragraphs are further proof and clarification of the main premise.

Those books he still found interesting and informative after perusing the title, summary of the book, chapter headings, and selected readings, he would purchase and read from start to finish.

By adopting these reading habits, he rediscovered his love of books, recommitted to lifelong learning, and relaxed about keeping up with the onslaught of new information. As I said earlier, one simple habit changed his life and saved his career…which is a sly segue to a relatively new book some of you might find useful for starting this new year off right.

Atomic Habits: An Easy & Proven Way to Build Good Habits & Break Bad Ones by James Clear

Tiny Changes, Remarkable Results

No matter your goals, *Atomic Habits* offers a proven framework for improving--every day. James Clear, one of the world's leading experts on habit formation, reveals practical strategies that will teach you exactly how to form good habits, break bad ones, and master the tiny behaviors that lead to remarkable results.

If you're having trouble changing your habits, the problem isn't you. The problem is your system. Bad habits repeat themselves again and again not because you don't want to change, but because you have the wrong system for change. You do not rise to the level of your goals. You fall to the level of your systems. Here, you'll get a proven system that can take you to new heights.

Clear is known for his ability to distill complex topics into simple behaviors that can be easily applied to daily life and work. Here, he draws on the most proven ideas from biology, psychology, and neuroscience to create an easy-to-understand guide for making good habits inevitable and bad habits impossible. Along the way, readers will be inspired and entertained with true stories from Olympic gold medalists, award-winning artists, business leaders, life-saving physicians, and star comedians who have used the science of small habits to master their craft and vault to the top of their field.

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...and much more.

Atomic Habits will reshape the way you think about progress and success, and give you the tools and strategies you need to transform your habits—whether you are a team looking to win a championship, an organization hoping to redefine an industry, or simply an individual who wishes to quit smoking, lose weight, reduce stress, or achieve any other goal. ❖

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Case Study

Washington Court of Appeals Sets the Stage for a Change in PIP Billing Practices

From the desk of Katie D. Buxman:

Some insurers use automated software to adjust their PIP payments to match the standard rate for specific procedures in specified geographic areas. Some states, such as Oregon, have prohibited this practice. Is Washington the next state to follow that trend? Read on to find out.

Case Pointer: In this class action lawsuit, a chiropractic clinic brought a Consumer Protection Act claim against an insurer for its use of software to determine the reasonableness of PIP payments. After the lawsuit was dismissed by the trial court, the court of appeals reversed and reinstated the lawsuit. It concluded that the chiropractic clinic properly alleged a violation of Washington's CPA because the insurer failed to individually examine claims to determine whether they were reasonable and necessary. This case may be the first step Washington courts take towards eliminating an insurer's ability to use software such as Fair Health to determine the reasonableness of PIP payments to providers.

Folweiler Chiropractic, PS v. Am. Family Ins. Co., No. 76448-9-I, 2018 Wash. App. LEXIS 2029 (Ct App Aug. 27, 2018)

Folweiler Chiropractic PS ("Folweiler") is a chiropractic clinic based out of King County, Washington. In 2016, Folweiler filed a class action lawsuit against American Family Insurance Company ("American Family") alleging violations of Washington's Consumer Protection Act. Folweiler alleged that, from 2012 to 2016, it treated numerous patients with PIP coverage provided by American Family and was directed to bill American Family directly. However, Folweiler alleged, rather than accepting and paying each bill, American Family processed the bills through a payment database maintained by Fair Health which compared Folweiler's bills to the same procedures in the same zip code and reduced such bills to the 80th percentile of payments in the database. Folweiler argued that American Family's use of the software violated its duty to individually examine each PIP payment to determine its reasonableness.

American Family moved to dismiss the suit, arguing that its practices complied with both the PIP statute and Washington's Consumer Protection Act. The trial court agreed, finding that the practice did not violate either statute. Accordingly, the court dismissed Folweiler's lawsuit. Folweiler appealed.

The court of appeals explained that its review would not declare whether American Family's settlement practices were prohibited. Rather it would only decide whether Folweiler's allegations were sufficient to survive a motion to dismiss for failure to state a claim upon which relief could have been granted.

First, the court examined American Family's settlement practice to determine whether it was in violation of Washington's PIP statutes. It noted that the PIP statutes, collectively, "require payment of all reasonable and necessary expenses incurred by or on behalf of the insured." When determining whether such payments are "reasonable and necessary," the statutes necessarily impose a duty to look at each claim individually. Accordingly, the court declared that, because the law requires an individualized assessment, and American Family substituted "a formulaic approach that only pays 80 percent of the average charge for a large geographic area," Folweiler's complaint "sufficiently alleged an unfair act in violation of the CPA based on a violation of the public interest embodied" in the PIP statutes.

The court then examined Folweiler's alternative argument that American Family's claim settlement process was unfair and contrary to WAC 284-30-330. That statute establishes "certain minimum standards which, if violated with such frequency as to indicate a general business practice, will be deemed to constitute unfair claims settlement practices." It lists an example of such an unfair practice as "refusing to pay claims without conducting a reasonable investigation." Taken together, the court concluded, WAC 284-30-330 "unequivocally establishes a duty to actually investigate and conduct a reasonable investigation of claims." Because Folweiler's complaint alleged that American Family used a formula based on geographic location to assess each claim regardless of individual circumstances, the allegations were "sufficient to establish an unfair act in violation of the CPA based on a violation of the public interest embodied in WAC 284-30-300."

In conclusion, the court ruled that, because Folweiler sufficiently established an unfair act in violation of the CPA based on the PIP statutes and settlement practices statutes, the trial court erred in

granting American Family's motion to dismiss. The case was remanded back to the trial court.

This case serves as a preview for what could soon happen in Washington. Insurers using software such as Fair Health to adjust PIP payments in accordance with geographic regions may soon be prohibited from doing so. Although this case did not conclusively state that such settlement practices are prohibited, it is possible that subsequent cases will establish just that. ❖

— View full opinion at: http://www.courts.wa.gov/opinions/pdf/764489orderpubandopin.PDF

Thieves Pounce as People Leave Key Fobs in Cars — According to the article a combination of keyless ignition technology and careless drivers are contributing to a spike in U.S. auto thefts. The article says key fobs left inside vehicles with push-start buttons make them easy targets for thieves. FBI statistics show 773,139 vehicles thefts were reported in 2017, up 12.6 percent from an all-time low of 686,803 in 2014. The number of vehicle thefts in which the criminal used the key rose 31 percent from 2013 to 2015. The article offers auto theft prevention tips, such as lock the doors and use anti-theft devices. National Insurance Crime Bureau spokesman Frank Scafidi suggests precautions are helpful but may not be enough to stop a determined thief. Said Scafidi, "That's why we have insurance." — Find this article at www.USAToday.com, 01/09/2019.

7 Areas of Directors & Officers Liability to Watch in 2019 — This article lists seven critical areas of risk management in Director & Officer liability coverage that insurers should consider as they plan for 2019: 1) Securities class actions are increasing; 2) Boardrooms will be affected by the #MeToo movement; 3) Some directors and officers are the targets of criminal prosecutions; 4) M&A litigation remains persistent; 5) Bad actors are being punished; 6) Boards play an important role in cybersecurity; and 7) Social expectations. Blackrock CEO Larry Fink said that in addition to obtaining the highest shareholder value, public companies must also work to have a positive effect on society. — Find this article at www.insurancejournal.com, 01/09/2019.

'Goat Fund Me' Campaign Launched by California Town to Prevent Wildfires

Reprinted from www.insurancejournal.com

The threat of catastrophic wildfires has driven a California town to launch a "Goat Fund Me" campaign to bring herds of goats to city-owned land to help clear brush.

Nevada City in the Sierra Nevada began the online crowdsourcing campaign last month with the goal of raising $30,000 for the project.

The campaign's website explains that because it takes time to secure grant funding, the town needs money now to hire goat ranchers because they're only available this winter.

The ranchers have rented out their herds to other municipalities in California the rest of the year and were expanding their herds to meet demand, city officials said.

"Why not do something – and as soon as we can?" Vice Mayor Reinette Senum told the Los Angeles Times. "If we're not proactive, if we don't help ourselves, no one else is going to step up."

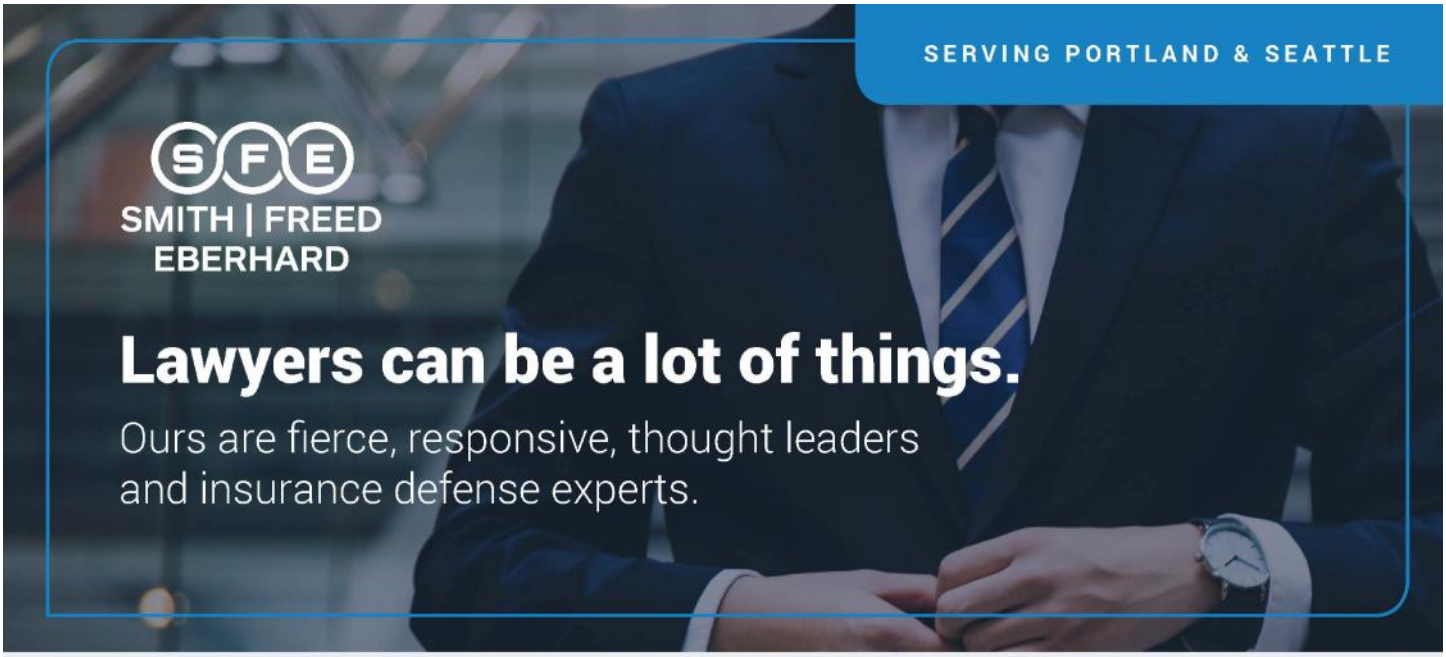
The foothill community is about 47 miles southeast of Paradise, which was decimated by a wildfire in November that killed 86 people and destroyed about 14,000 homes.

City officials said booking a herd costs between $500 to $1,500 an acre. Some 200 goats can munch on an acre of overgrown brush daily.

City Manager Catrina Olson said she, along with residents attending council meetings to talk about the project, are excited about the impending work, an idea "that's catching on because there's such high fire danger in our state."

"It's an interesting way to run a city campaign," said Brad Fowler, a local rancher working with the city to rent out goats. "I like how people can choose to spend their money." ❖

State Farm Granted First-of-its-Kind National Drone Waiver — State Farm will continue to use drones in its insurance operations. The insurer was granted a first-of-its-kind national waiver by the Federal Aviation Administration that will allow drone operations over people and flights beyond a pilot's visual line of sight through November 2022. Current FAA regulations restrict drone pilots from flying beyond their visual line of sight and over groups of people. Previous waivers granted by the FAA were limited in duration and to specific geo-



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OREGON CASE UPDATES

"Oregon Supreme Court Limits the Applicability of Oregon's Statute of Repose in Product Liability Actions "
PUBLISHED ON: 12/13/18

"Oregon Supreme Court Restricts the Scope of Discoverable Communications Between Plaintiffs and Treating Physicians"
PUBLISHED ON: 12/06/18

WASHINGTON CASE UPDATES

"Washington Court of Appeals Sets the Stage for a Change in PIP Billing Practices"
PUBLISHED ON: 11/15/18

"Damages and Attorney Fee Exposure Can Make a Mistaken Coverage Denial a Costly Error"
PUBLISHED ON: 11/01/18

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graphic areas impacted by hurricanes. State Farm was previously allowed to test the technology in its damage assessments and the agency found that having the drones made a difference. — Find a link to this NBC news article at www.claimspages.com. 01/11/2019.

U.S. Plan for Major Expansion of Drone Uses Allows Flights at Night, Above Crowds — The federal government has unveiled a long-awaited set of proposals to dramatically expand civilian drone flights while also tightening security, critical steps for an industry seeking to expand into robot aerial deliveries and scores of other commercial uses in populated areas. A proposed regulation released Monday by the U.S. Department of Transportation would for the first time allow routine flights over people and at night, provided the remote-control operators take safety precautions. The new regulatory framework was announced by Secretary of Transportation Elaine Chao in a speech in Washington. "This will help communities reap the considerable economic benefits of this growing industry and help our country remain a global technology leader," Chao said in remarks to the nonprofit Transportation Research Board. Under current Federal Aviation Administration regulations, civilian drones can't operate directly over people's heads out of fear they could plunge from the sky, injuring or killing someone. That effectively makes it impossible to use them legally for scores of purposes, including surveying urban construction sites, delivering defibrillators to highway crash scenes and photographing densely populated areas. — Find this article at www.insurancejournal.com, 01/15/2019.

Insurance and the Fourth Industrial Revolution — I have been asked a number of times to provide my perspective on the insurance industry in the time of the Industrial Revolution 4.0. In this piece I'll do so, but first, how did we get to 4.0? What preceded and led to this brave new world of what's now called "IR4"? The first industrial revolution occurred in the late 1700s, with most agreeing that the seminal event was the development of the first mechanical loom in England in 1784. More broadly, the period was defined by mechanized production facilities, usually with the help of water and steam power. The second industrial revolution, in the late 1800s, was defined by the concept of division of labor and by mass production, with the help of electricity. — Find a link to this article at www.claimspages.com. 01/07/2019. ❖

Personal Interest

Health Wise

Just How Filthy is Your Reusable Water Bottle?

By Jordan Smith
Reprinted from www.prevention.com

A new study finds bacterial growth is way more common than you'd think

When's the last time you washed your water bottle? Might want to make that right now: A new study from Brazil suggests reusable shaker bottles (and water bottles) might be more gross than you thought.

In the study, researchers asked 30 gym members to hand over their shaker bottles for testing, and compared the results to that of 30, unused (contaminant-free) ones. They discovered bacteria contamination in 83 percent of the used plastic bottles.

Most prevalent were Staphylococcus aureus (found in 27 percent of the bottles) and E. coli (found in 17 percent).

"We tested in a real-world scenario, by surprise, asking for [bottles of] those who were arriving at the gym at those particular days," study author Gilmar Weber Senna, Ph.D., professor at the Federal University of State of Rio de Janeiro told Runner's World. "We did this to avoid an intentional over-cleaning."

Now, while the findings sound gross, they are not entirely unexpected, said Philip Tierno, Ph.D., professor of microbiology and pathology at the NYU School of Medicine. For one, staph bacteria is present in the noses of about 30 percent of people,

and generally does not cause harm, according to the Centers for Disease Control and Prevention (CDC). Likewise, E. coli is present in healthy GI tracts, but certain strains can cause a diarrheal illness, the CDC says.

So how likely is it that your bottle bugs can make make you sick? Well, according to Tierno, that depends on a few factors: the amount and type of bacteria present, and a person's immune system.

The bacteria likely comes from contamination during handling, said Tierno. Since people are handling their bottles to make their recovery drink or just fill it up, bacteria can be transmitted through indirect contact. If you don't wash your hands after going to the bathroom or touching your face, for instance, you can spread any bugs to the bottle.

It's best to properly wash any bottle before each use to lower your risk of getting sick from present bacteria—or from transmitting it to others who may grab your water bottle. One way? Stick it in the dishwasher after each use.

To avoid spreading harmful bacteria to your shaker bottle or water bottle, Tierno suggests making sure that you properly wash your hands before fixing your gym drink to get rid of any residual organisms on your hands, remembering to pay extra-close attention to your nail bed, where germs can hide.

"Wash for 20 seconds. Get soap on the top and bottom of hands and in between digits and under the nail bed," Teirno said. "Run your hands like a claw in the center of the opposite palm to get suds into nail bed, and sing the song 'Happy Birthday' twice to wash hands adequately."

To help keep bacteria from growing, Tierno suggests using steel, metal, or glass bottles when possible, as bacteria can more easily adhere to plastics and other surfaces that are rougher. The smoother surface of steel, metal, glass surfaced are more easily cleaned and prevent a biofilm (where bacteria can grow) from forming.

And keep your bottle as your bottle—don't share water bottles unless they are dishwasher-washed first. ❖

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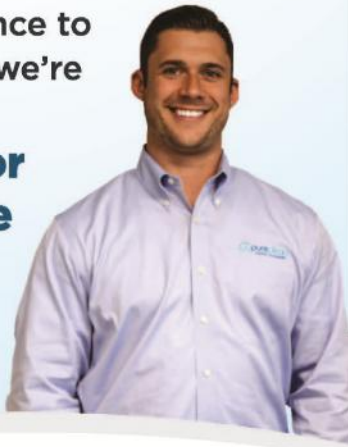

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3 P&C Industry Predictions for 2019

By Seth Rachlin

Reprinted from www.propertycasualty360.com

Here are 3 P&C insurance industry phenomenons that will happen in 2019, otherwise known as the year of 'Big'.

For many, 2018 will be remembered as a whirlwind on a number of fronts.

Transition is constant, but no matter how we may look at the year ahead, changes in the property and casualty insurance space will be profound. Put even more simply, 2019 will be ***big***.

Here are three of many key things we foresee happening:

No. 1: Customers will buy insurance from BigTechs.
With emerging technologies, competition and pressure for improved customer experiences build up daily. With the industry ripe for digital transformation, it is no surprise customers are not satisfied with existing offerings. The ease of accessibility and variety of convenient experiences set by other industries have seen to that.

For a long time, insurance companies have used outdated systems that were not built with agility and flexibility. Today, that is where artificial intelligence (AI), machine learning (ML) and other innovative technologies come in. BigTech firms and InsurTechs are rapidly entering the market armed with these tools and expertise, and the ability to scale customer-centric approaches that cater to personalized needs and services.

In fact, a recent Capgemini report found nearly a third of customers would consider buying at least one insurance product from a BigTech firm. Customers are expecting rapid convenience and innovation from insurance firms — just think of robots processing claims and payments in near real-time, no human representative required.

That operational efficiency and personalization has already cropped up. Think always-on, responsive chatbots communicating with customers. Connected devices and sensors that automatically detect accidents and begin to set up a claim around the damage. Such new ways of automating customer interaction will provide faster service for customer satisfaction, while opening up company throughputs and reducing operational costs.

No. 2: Mountains of IoT data will need to be owned and secured.
2019 will see significant adoption of Internet of

Things (IoT) product enablement — smart homes, connected vehicles, and the personal wearables all linking together. Perhaps the first question to arise from that is, "who owns the data?" Expect large discussions around transparency and sharing to come to light often in the new year.

There are then the myriad privacy concerns to match, as well as the potential lock between customer and insurance company. Security has always been important, but the speed and quantity of breaches happening across any number of industries that should keep insurers up at night. One mistake or breach, and customer faith will erode away as they instead turn to a BigTech they already use (and trust).

One avenue? It is possible that as the amount of data explodes exponentially, companies may be able to help ease the burden for insurers by focusing solely on storing and securing the data. Then when it's needed for large scale reference and implementation, it's there. But the focus for insurers can be on best matching the data to more applicable, innovative products.

No. 3: Partners and customers will need to be the core.

At the core for any successful insurer in the year ahead will need to be a fully digital ecosystem that seamlessly interconnects them insurers, customers and partners. Because we live in a mobile, multi-screen, multi-platform world, customers expect to be able to interact with companies however and wherever they are. The platform variety is astounding, but not surprising — think chatbots, Facebook, text/SMS, social messaging, and even more individually via connected devices that capture and apply real-time data for value-added, personalized services.

Together with partners, reach and opportunity will expand exponentially and integration will become more seamless. Working with hardware OEMs opens up access to the pure, real-time data. Aggregators and intermediaries will help align distribution. And with third-party vendors that can help more quickly shift and scale, all to help bring more palatable claims management and payout efficiencies within reach.

Now is the time to step back, assess, and predict. No matter the lens used, there is clarity that 2019 will deliver in big ways for property casualty players. ❖

— Seth Rachlin (seth.rachlin@capgemini.com) is executive vice president and chief innovation officer for Insurance at Capgemini. These opinions are his own.

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