UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Vanderloo v. Allstate Northbrook Indemnity Company

Vanderloo v. Allstate Northbrook Indemnity Co., Case No. 23-cv-04964-EKL (N.D. Cal. Mar. 17, 2025) · No. 23-cv-04964-EKL · Decided March 17, 2025

SUMMARY

The United States District Court for the Northern District of California grants Allstate Northbrook Indemnity Company's motion for summary judgment in an underinsured motorist dispute. The court concludes that Allstate paid the full policy limit and that the undisputed evidence showed the plaintiff and his counsel caused delays in investigating and arbitrating the claim. The court therefore enters judgment on the breach of contract, bad-faith, implied-covenant, and punitive-damages claims.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	Eumi K. Lee
JURISDICTION	United States District Court for the Northern District of California
DECIDED	March 17, 2025
DOCKET	23-cv-04964-EKL
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff brought claims for breach of contract, breach of the implied covenant of good faith and fair dealing, and bad faith denial of an underinsured motorist claim. Defendant moved for summary judgment on all claims.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The court views the evidence and reasonable inferences in the light most favorable to the nonmoving party and does not make credibility determinations or weigh evidence.
PRECEDENTIAL VALUE	unpublished district court order
PARTIES	Evan Vanderloo v. Allstate Northbrook Indemnity Company

TOPICS

uninsured motorist · insurance bad faith · summary judgment · breach of contract · punitive damages

PRACTICE AREAS

insurance · civil procedure · contracts · evidence · remedies

QUESTIONS PRESENTED

1. Whether Plaintiff could maintain a breach of contract claim despite Allstate's eventual payment of the full underinsured motorist policy limit.
2. Whether Allstate unreasonably delayed or withheld policy benefits so as to support claims for bad faith insurance denial or breach of the implied covenant of good faith and fair dealing.
3. Whether Plaintiff presented sufficient evidence that Allstate acted in bad faith by relying on biased or improperly selected independent medical examiners.
4. Whether Plaintiff was entitled to punitive damages.

HOLDINGS

1. Assuming without deciding that an unreasonable delay in paying insurance benefits may constitute a breach of an insurance policy, Plaintiff was not entitled to proceed because the undisputed evidence showed that Allstate diligently processed and paid the policy limit and that Plaintiff and his counsel caused the delays.
2. Allstate was entitled to summary judgment on Plaintiff's bad faith insurance denial and implied-covenant claims because the undisputed evidence established a genuine, good-faith dispute regarding coverage and showed that Allstate diligently processed the claim.
3. Plaintiff did not create a genuine dispute concerning the legitimacy of Allstate's selection or use of its independent medical examiners merely by showing that one examiner performed defense-oriented consulting work or had ties to the insurance industry.
4. Plaintiff was not entitled to punitive damages because his bad faith claims failed and he identified no evidence of oppression, fraud, or malice by clear and convincing evidence.

KEY QUOTATIONS

> *"The Court will assume, for purposes of this motion, that an unreasonable delay in paying insurance policy benefits may constitute breach of an insurance policy."* (Section IV.A)

> *"The undisputed facts demonstrate that Plaintiff and Plaintiff's counsel delayed and impeded Allstate's efforts to gather necessary medical records and wage loss verification and other discovery until April 2021."* (Section IV.B)

> *"For the foregoing reasons, the Court GRANTS summary judgment for Allstate on all claims and dismisses the complaint with prejudice."* (Conclusion)

FACTUAL BACKGROUND

Plaintiff was injured as a passenger in a 2016 rear-end automobile accident and was initially diagnosed with a concussion. He later underwent additional treatment, including surgery, and submitted multiple policy-limit demands under Allstate's underinsured motorist policy. Allstate requested medical authorizations, records, wage-loss information, discovery responses, a deposition, and an independent medical examination; the court found that Plaintiff and his counsel repeatedly delayed or impeded those efforts and postponed arbitration. Allstate first offered $5,000 in new money and later tendered the remaining $85,000 policy limit.

PROCEDURAL HISTORY

After a 2016 automobile accident, Plaintiff submitted an underinsured motorist claim to Allstate and made multiple policy-limit demands. Allstate ultimately tendered the remaining policy limit after repeated delays in discovery and arbitration proceedings. Plaintiff filed this action on May 26, 2023, and Allstate moved for summary judgment. The court granted the motion on all claims and dismissed the complaint with prejudice.

DISPOSITION

dismissed

CASES CITED

- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 252 (1986)
- Celotex Corp. v. Catrett, 477 U.S. 317, 323-25 (1986)
- Torres v. City of Madera, 648 F.3d 1119, 1123 (9th Cir. 2011)
- Munden v. Stewart Title Guar. Co., 8 F.4th 1040, 1044 (9th Cir. 2021)
- Carmen v. San Francisco Unified Sch. Dist., 237 F.3d 1026, 1031 (9th Cir. 2001)
- Fraser v. Goodale, 342 F.3d 1032, 1036 (9th Cir. 2003)
- Block v. City of Los Angeles, 253 F.3d 410, 418-19 (9th Cir. 2001)
- Hangarter v. Provident Life & Accident Ins. Co., 373 F.3d 998, 1009-11, 1016 (9th Cir. 2004)
- Mukhtar v. Cal. State Univ., Hayward, 299 F.3d 1053, 1065 n.10 (9th Cir. 2002)
- Keshish v. Allstate Ins. Co., 959 F. Supp. 2d 1226, 1240-41 (C.D. Cal. 2013)
- Chateau Chamberay Homeowners Ass'n v. Associated Int'l Ins. Co., 90 Cal. App. 4th 335, 349-50 (2001)
- Oasis W. Realty LLC v. Goldman, 51 Cal. 4th 811, 821 (2011)
- Gentry v. State Farm Mut. Auto. Ins. Co., 726 F. Supp. 2d 1160, 1170 (E.D. Cal. 2010)
- Kotler v. PacifiCare of Cal., 126 Cal. App. 4th 950, 956 (2005)
- Satvati v. Allstate Northbrook Indem. Co., 634 F. Supp. 3d 792, 798 (C.D. Cal. 2022)
- Simmons v. Liberty Mutual Fire Insurance Co., No. 21-cv-02215-TLN-DMC, 2023 WL 5242671, at *6-7 (E.D. Cal. Aug. 15, 2023)
- Levy v. Safeco Ins. Co. of Am., No. 21-cv-08520-SSS-Ex, 2022 WL 17905542, at *8 (C.D. Cal. Sept. 14, 2022)
- Wilson v. 21st Century Ins. Co., 42 Cal. 4th 713, 719-24 (2007)
- Brehm v. 21st Century Insurance Co., 166 Cal. App. 4th 1225, 1239-40 (2008)

- Sekera v. Allstate Insurance Co., 763 F. App'x 629, 631-32 (9th Cir. 2019)
- Cates Constr., Inc. v. Talbot Partners, 21 Cal. 4th 28, 61 (1999)
