

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**IN THE MATTER OF  
TRAVELERS INSURANCE CO.**

**VOLUNTARY SETTLEMENT  
AGREEMENT**

**NOW COME**, Travelers Insurance Company (hereinafter "TRAVELERS") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

**WHEREAS**, the Department has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance companies, insurance agents and adjusters; and

**WHEREAS**, TRAVELERS is currently licensed to issue automobile insurance in North Carolina; and

**WHEREAS**, N.C. Gen. Stat. § 58-3-180(a) requires insurers to allow a claimant to select the repair service or source for the repair of damage to a motor vehicle, and Subsection (b1) thereof, among other things, prohibits the insurer or insurer representative from recommending the use of a particular motor vehicle repair service without clearly informing the claimant that he or she is under no obligation to use the recommended repair service; and

**WHEREAS**, it has been alleged that the insurer, through its representative adjuster, in this instance, may have steered a claimant away from a vehicle repair service chosen by their insured, resulting in the loss of revenue in the amount of \$1,566.38, to the repair shop; and

**WHEREAS**, the Department received a complaint from Pack Brothers Collision Center (Pack Brothers), located in Belmont, NC, regarding actions taken by a representative of Travelers with respect to a repair of a motor vehicle owned by Ms. [REDACTED] that was insured by Travelers; and

**WHEREAS**, Ms. Mas indicated to Travelers that she wanted Pack Brothers to do the repair work and requested Travelers to send the estimate to that shop; however, allegedly some comments made to [REDACTED] by Ms. Hayley H. Griffith, a Travelers claim professional, caused [REDACTED] to have her vehicle repaired elsewhere, causing a loss of revenue to Pack Brothers; and

**WHEREAS**, a copy of an email between [REDACTED] and Ms. Griffith provided to the Department tended to show that Ms. Griffith advised [REDACTED] to not send the estimate to Pack Brothers since Pack Brothers would not accept Travelers' estimate for repair of the damages, would not work with Travelers if additional damages were found, and recommended that [REDACTED] have her vehicle repaired elsewhere; and

**WHEREAS**, it is not disputed that Ms. Griffith informed [REDACTED] that she was more than welcome to use Pack Brothers, but that it would most likely cause [REDACTED] to incur out of pocket costs due to Pack Brothers not repairing the vehicle off Travelers' estimate and unwillingness to work with Travelers throughout any potential delays that could occur during the repair process; and

**WHEREAS**, Mr. Michael Vento, Claims Manager located in Travelers' Charlotte, NC office, on behalf of Travelers' Buffalo, NY office, by letter dated January 14, 2018 informed the Department that the claim professional did not tell the claimant which repair facility she must use, and told the claimant on more than one occasion that Travelers would pay the amount its appraiser determined payable regardless of whether she used Pack Brothers or another facility; Mr. Vento in his letter further defined "steering" as requiring the claimant to use the shop that Travelers recommended and not giving the claimant a choice, which Mr. Vento stated did not occur in the case at hand; and

**WHEREAS**, information obtained by the Department did indicate that Travelers in this instance did not require [REDACTED] to use the services of a specific repair shop; however, Ms. Griffith cautioned [REDACTED] that by utilizing the services of Pack Brothers, she might encounter additional out of pocket costs, because of experience Travelers had encountered in the past in dealing with Pack Brothers; and

**WHEREAS**, the prohibition against steering a claimant away from a specific motor vehicle repair service may constitute a violation of N.C. Gen. Stat. § 58-3-180(a), especially if such cautionary language alone might induce the claimant to select another repair service; and

**WHEREAS**, from the information made available to the Department, it appears that [REDACTED] relied on the statements made by Ms. Griffith, and based on such statements did not attempt to discuss the matter with Pack Brothers to determine whether Pack Brothers would work with Travelers with respect to the issue of additional expenses or delays that might occur during the repair process; and

**WHEREAS**, from the information made available to the Department, it cannot be clearly ascertained whether Travelers was acting in the interests of its insured or itself in "steering" [REDACTED] away from having her repair work performed by Pack Brothers; however, even if such cautionary language was in the best interests of [REDACTED], such action resulted in a loss of revenue to Pack Brothers, and an opportunity for Pack Brothers to talk to [REDACTED] and possibly alleviate any concerns she may have had with respect to the cautionary language in question; and

**WHEREAS**, in the interests of avoiding similar occurrences in the future, the Department recommends that claim professionals be made aware of using such cautionary

language without advising the claimant that he or she discuss the possibility of being personally liable for additional costs outside of the estimate given for repairs by the insurer, especially in cases where the claimant had expressed a desire to have the repair work done at a specific repair facility; and


**WHEREAS**, the parties to this Agreement mutually wish to resolve this matter by consent and have reached a mutually agreeable resolution of this matter as set out in this Agreement.


**NOW, THEREFORE**, in exchange for the consideration and promises and agreements set out herein, Travelers and the Department hereby agree to the following:

1. Upon the signing of this agreement, Travelers, without admitting any liability or violation of any insurance statute or rule, will reimburse Pack Brothers for the total amount of the estimate prepared for the repair of [REDACTED] motor vehicle, \$1,566.38.
2. Travelers agrees to forward its company check payable to the Pack Brothers to the Department as soon as possible but no later than May 6, 2019.
3. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

**Travelers Insurance Company**

**N.C. Department of Insurance**

  
By: **Mark Valleskey**  
Director of Auto Claims

  
By: **Kathy Shortt**  
Senior Deputy Commissioner  
Consumer Assistance Group

Date: 4/8/19

Date: 4/17/19