



**MIKE CAUSEY**  
INSURANCE COMMISSIONER

**MEMORANDUM**

To: All Companies and Agents Writing Private Passenger Automobile Insurance

From: Mike Causey, Insurance Commissioner

Date: June 17, 2019

RE: Motor Vehicle Repairs Selection by Claimant - N.C.G.S §58-3-180

The Department would like to draw your attention to N.C.G.S. §58-2-180 which provides under (b1) that an insurer shall not require or “steer” a consumer to a particular motor vehicle repair shop without first informing the consumer that, among other things, the consumer is under no obligation to use the services of the recommended repair shop. All companies and agents should be aware of this statutory requirement because it is included in Part F – General Provisions of the auto policy form which is promulgated by the Rate Bureau and approved by the Commissioner.

However, in addition to the prohibition against “steering” a consumer to a particular motor vehicle repair shop, the statute also provides under (a) that a “policy covering damage to a motor vehicle shall allow the claimant to select the repair service or source for the repair of the damage.” This means that not only can a company or agent not steer a consumer to a particular motor vehicle repair shop, but, said company or agent cannot steer a consumer away from a particular repair shop either. The Department understands that there may be repair shops where interactions are more involved than with other shops; however, a consumer has the statutory right to use any shop of his or her choice for repairs. Thus, by statute, a company or agent cannot discourage in any way, (such as suggesting that the repairs will be costlier, less timely, or of poor quality), a consumer from choosing a specific shop for repairs.

Failure to adhere to the requirements set forth in N.C.G.S. §58-3-180 can result in licensure action and/or civil penalties up to a maximum of \$2,000 pursuant to (c) of the subject statute.