



February 21, 2022

Adrienne Clark, P&C Complaint Analyst  
North Caroling Department of Insurance  
Office of Consumer Services  
325 N Salisbury St,  
Raleigh, NC 27603

RE: DOI File Number: 2022-02-00481  
Name of Complainant: Kyle Bradshaw  
Name of Our Insured: [REDACTED]  
Claim Number: 01-004-103895  
NAIC # / Company Name: 22906 - Permanent General Assurance Corporation of Ohio  
Our File Number: NC08774

Dear Adrian Clark:

We have received your correspondence regarding the above-referenced complaint. I have reviewed our file and offer the following response.

This loss was reported to Permanent General Assurance Corporation of Ohio, herein PGAC, by [REDACTED] under her personal auto policy NC5692374 on November 18, 2021. She reported that on November 17, 2021, she was involved in an accident with [REDACTED] in a parking lot. [REDACTED] policy at the time of the loss carried the following coverages:

Liability Bodily Injury \$30,000.00 per person limit/\$60,000.00 per incident limit  
Liability Property Damage \$25,000.00 per incident limit  
Uninsured Motorist Bodily Injury \$30,000.00 per person limit/\$60,000.00 per incident limit  
Uninsured Motorist Property Damage \$25,000.00 per incident limit with a \$100 deductible

Upon speaking with [REDACTED] regarding the loss, the adjuster requested photos of her damage so that a PGAC desk appraiser could write the estimate. Although coverage and liability had not been accepted at that time, the adjuster advised the damage investigation would be completed concurrently with the liability and coverage investigations and that writing an estimate did not imply that coverage or liability was accepted. The estimate was completed on November 24, 2021, for \$1,754.11. The appraiser indicated on the estimate that the initial estimate was written for the visible damage and that there was hidden damage with a possible large supplement expected. The shop would need to complete a teardown for the supplement damage to be assessed. The adjuster working the file accepted coverage and liability for the loss on December 6, 2021. [REDACTED] was advised of this on December 15, 2021. She told the adjuster that she wished to use K&M Collision for the repairs.

On January 7, 2022, a PGAC Material Damage specialist spoke with Adrian and K&M Collision, who advised the vehicle was being torn down and that a supplement would be sent in. The specialist followed up with the

shop on January 11, 2022, as the supplement had not been received. Kyle with K&M Collision advised that Adrian was at lunch and that Adrian had emailed the supplement but did not see it. He resubmitted the

supplement request. The supplement was reviewed, and it was determined that the supplement received was not for [REDACTED] vehicle. The specialist called the shop and spoke with a shop representative who advised that [REDACTED] vehicle was being torn down and the supplement should be sent that day. She indicated that the shop was busy. The specialist provided their contact information and requested the supplement be emailed.

The supplement was received on January 21, 2022. It requested a physical inspection of the vehicle be done. An inspection request was sent to an independent appraisal company, Auto Damage Appraisers on January 24, 2022. It was requested that Auto Damage Appraisers obtain the estimated repairs, capture the requested damage with associated images to support the supplement request for review. PGAC did not request that they negotiate or reach an agreed price with K&M Collision. John DiBella was the assigned inspector for Auto Damage Appraisers, as he is one of only a few appraisers allowed into this repair facility. He completed his inspection on January 31, 2022 and uploaded his findings to PGAC on February 1, 2022.

PGAC's Material Damage department assigned the review of his inspection to a licensed internal appraiser. The appraiser found numerous charges that were in question. The questionable entries were sent to Auto Damage Appraisers on February 4, 2022, for updates which included supporting documentation from the shop on needed repairs, removal of non-customary charges, and prevailing labor rates. A follow up call was made to Auto Damage Appraisers on February 7, 2022. Josh Watkins, the COO at Auto Damage Appraisers, reviewed the information and adjusted the estimate. Once received, it was approved and released to the shop. The payment for the repairs was issued to [REDACTED] for \$7,063.89.

Upon receipt of the above-referenced complaint, the appraiser attempted to reach out to the shop to discuss their concerns on February 10, 2022. The shop stated they did not wish to speak with the appraiser and requested a call from the supervisor. The supervisor contact K&M Collision on February 11, 2022 and spoke with Kyle and Mike regarding their concerns. The supervisor advised that invoice or photo documentation was needed for the following: paint mixing for match, scanning of the vehicle for diagnostic codes, and any required additional steps needed during the diagnostic process. The supervisor also discussed the non-customer charges, which included washing of the vehicle, looking up OEM procedures, battery tending labor, and support functions.

The shop representatives stated that washing was not an included operation. Additionally, that looking up OEM procedures is intensive and requires time regardless of the operation, and that sometimes during scans they need to add ballasts to the vehicle or hook up other sensors. The supervisor explained that some of those items are not being charged in the marketplace which the shop disputed. The shop indicated that PGAC did not know what was customary in the area. The supervisor explained how the change request process works and that the estimate cannot be manipulated without the independent appraiser knowing. The supervisor explained that the independent appraiser completed the changes and that PGAC's desk appraiser is licensed, and reviews claims every day for shops across North Carolina. The shop confirmed that the independent appraiser utilized by PGAC for the supplement did not commit to payment for the initial supplement that was written, nor was a copy provided to the shop. The shop indicated that other larger carriers do not contest their charges for what is customary.

In an effort to seek resolution, the supervisor stated he would concede a setup and measure of the unibody and review the rest of the estimate for potential other concessions. The supervisor explained that some non-customary items would not be considered but other items that required additional supporting documentation could be. As the shop stated that PGAC is not familiar with the charges in the area, the supervisor looked up and contact another local shop in Hickory, North Carolina, which was located two miles from K&M Collision. The supervisor inquired if they would charge anyone, regardless of carrier or if cash pay, for pre/post washing, looking up repair procedures, COVID sanitization, test drives, battery tending, additional labor for scanning operations, color tinting, and A/M parts quality in the area. The secondary opinion shop stated of all those items the only thing they would sometimes charge is color tinting, but after supporting documentation was obtained and test drives if applicable for the repairs. This other repair facility also advised Mike Faulisi that A/M parts in the area are usually not a problem and when they do have a problem, the vendors are quick to resolve the issue. This shop did agree to the repairs based on the attached estimate.

In an attempt to provide a prompt resolution that would optimize the customer experience for all involved, including [REDACTED] the supervisor agreed to include all the requested OEM parts. The appraisal was updated to include this concession. Payment for \$2,071.34 was issued to K&M Collision on February 16, 2022. As of the date of this letter, PGAC's Material Damage department has addressed K&M Collision's concerns.

Please contact me if you have any questions or need additional information or documentation regarding this complaint.

Sincerely,

*Hannah Bunch*

Hannah Bunch  
Claims Compliance Advisor  
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Attachments