

March 15, 2019

Aaron Schulenburg  
Executive Director  
Society of Collision Repair Specialists  
P.O Box 909  
Prosser, WA 99350

SENT VIA EMAIL

Dear Mr. Schulenburg,

Please find the responses to the questions in the SCRS survey below:

- Is your department charged with consumer protection and the entity who serves as the regulatory agency to govern and supervise the business of insurance in your state?  
**Answer:** Yes
- Are claims settlement practices a part of that regulatory oversight?  
**Answer:** Yes
- Is there anything that holds insurers and insurance policies sold in your state accountable to recognize manufacturer documented procedures as a basis for settling claims and loss indemnification?  
**Answer:** See NCGS § 58-36-95  
[https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_58/GS\\_58-36-95.html](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_58/GS_58-36-95.html)  
See 11 NCAC 04.0426  
<http://ncrules.state.nc.us/ncac/title%2011%20-%20insurance/chapter%2004%20-%20consumer%20services%20division/11%20ncac%2004%20.0426.pdf>
- Would your department consider it a “reasonable” expectation that if an OEM repair procedure or instruction existed, that the claim should cover the associated costs?  
**Answer:** See NCGS § 58-36-95  
[https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_58/GS\\_58-36-95.html](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_58/GS_58-36-95.html)  
See 11 NCAC 04.0426  
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- Would your department expect consumers to be clearly notified through exclusions in the policy where costs associated with documented OEM procedures would not be covered; otherwise, allowing a consumer to reasonably assume they would be?

**Answer:** See NCGS § 58-36-95

[https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter\\_58/GS\\_58-36-95.html](https://www.ncleg.net/EnactedLegislation/Statutes/HTML/BySection/Chapter_58/GS_58-36-95.html)

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See 11 NCAC 04.0427

<http://ncrules.state.nc.us/ncac/title%2011%20-%20insurance/chapter%2004%20-%20consumer%20services%20division/11%20ncac%2004%20.0427.pdf>

- If there is a dispute between a consumer and their insurance carrier over the cost to restore their vehicle to pre-loss condition in accordance with manufacturer documented procedures, is your department the correct one to address those issues and provide consumer protection?

a. If yes, please explain?

b. If no, who is the appropriate consumer protection body to do so?

**Answer:** First party claimants have available to them a contractual Appraisal Provision when there is a dispute over the cost to repair a vehicle. The powers and duties of the Office of the Commissioner of Insurance are as outlined in NCGS 58-2-40.

[https://www.ncleg.net/EnactedLegislation/Statutes/PDF/BySection/Chapter\\_58/GS\\_58-2-40.pdf](https://www.ncleg.net/EnactedLegislation/Statutes/PDF/BySection/Chapter_58/GS_58-2-40.pdf)

Thank you for the opportunity to respond to these questions.

Best regards,



Kathy Shortt  
Sr. Deputy Commissioner

OBO NCDOI Internal Autobody and Appraiser Task Force