

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903**

IN THE MATTER OF:

Progressive Max Insurance Company

Respondent.

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DBR No. 06-I-0262

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and Progressive Insurance Company (“Respondent”) as follows:

1. The Department received a complaint from Randy Bottella and Reliable Collision alleging that Respondent was in violation of R.I.G.L. § 27-10.1-6(b) as Respondent’s did not provide a copy of an estimate to Mr. Bottella and Reliable Collision within 24 hours and Respondent required an independent appraiser to alter his estimate.
2. In Insurance Bulletin 2003-11 the Department interpreted R.I.G.L. § 27-9-1 *et seq.* and R.I.G.L. § 27-10.1-6(b) as follows: “While an insurance adjuster may rely upon the written appraisal in the settlement of the claim, an insurance adjuster cannot require an appraiser to either include or exclude damage on an appraisal provided however; the adjuster may provide the appraiser with information relating to damage unrelated to the incident or accident that occasioned the appraisal of the vehicle, or old damage, if the information to be provided by the adjuster is required to be included by the appraiser in the appraisal pursuant to R.I.G.L. §27-10.1-6. If an

insurance company acts contrary to these procedures, it may be found to be in violation of R.I.G.L. § 27-9.1-1 *et seq.*”

3. The Department’s investigation found that the violations alleged by Mr. Bottella and Reliable Collision had occurred.

WHEREFORE, based on the foregoing, Respondents and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

1. Respondent agrees to assure that appraisers hired by it comply with R.I.G.L. § 27-10.1-6(b) by leaving a legible copy of the appraisal at the auto body shop at the time of the initial inspection unless this is impracticable in which case the legible copy will be delivered to the auto body shop within 24 hours of the initial inspection;
2. Respondent’s agrees that it will not require that an appraiser change the appraisal in violation of 27-10.1-6(b);
3. Respondent agrees that it will train its employees regarding an appraisers obligations under R.I.G.L. § 27-10.1-1 *et seq.* and Insurance Regulations 42 and 43 and clarify both that the appraisal must either be left at the shop or delivered within 24 hours and that Respondents’ employees may not require that an independent appraiser alter an estimate. Respondent agrees that appraisers hired by it will perform independent appraisals and that adjusters employed by it will not require that an appraiser either include or exclude damage;
4. Respondent agrees to pay an administrative penalty in the amount of five hundred dollars (\$500) in lieu of further administrative action by the Department.

Counsel for the Department and Respondents hereby consent and agree to the foregoing on behalf of their respective clients.

Department of Business Regulation
By it's Legal Counsel,

Respondent
By its attorney,

Original Signature on File
Elizabeth Kelleher Dwyer

Original Signature on File
Michael R. Uth

Dated: February 1, 2007

Dated: January 3, 2007