Agents E&O Standard of Care Project

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To gain a deeper understanding of the differing agent duties and standard of care by state, the Big "I" Professional Liability Program and Swiss Re Corporate Solutions surveyed their panel counsel attorneys. Each attorney was asked to draft a brief synopsis outlining the agents' standard of care in their state. They were also asked to identify and include a short summary of the landmark cases. In addition, many of the summaries include sample case studies emphasizing how legal duties and issues with standard of care effected the outcome. Finally, recent trends in errors in the state may also be included.

This risk management information is a value-added service of the Big "I" Professional Liability Program and Swiss Re Corporate Solutions. For more risk management information and tools visit www.iiaba.net/EOHappens. On the specific topic of agents' standard of care check out this article from the Hassett Law firm, our E&O seminar module, and this risk management webinar.

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INSURANCE AGENT'S STANDARD OF CARE IN NORTH CAROLINA

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This article addresses the standard of care applicable to insurance agents under North Carolina law. The article deals with the standard of care for claims by agency customers. The duty owed by insurance agents to insurance carriers and others is beyond the scope of this article.

THE BASIC DUTY

The central governing rule is that the agent must do, with reasonable care, skill and competence, whatever he undertakes to do for the customer. "Reasonable Care" means that degree of care which a reasonable person would take for the protection of himself or others under all the circumstances. In the context of insurance agents, "reasonable skill and competence" means that degree of competence possessed by a reasonable ordinary insurance agent. If an agent holds himself or herself out as having a greater degree of skill or competence than the ordinary insurance agent, however, the courts may hold the agent to the higher standard represented.

As the North Carolina Supreme Court held in *Wiles v. Mullinax*, 267 N.C. 392, 148 S.E.2d 229 (1966), *appeal after remand*, 270 N.C. 661, 155 S.E.2d 246 (1967) an agent who agrees to procure specified insurance has two related duties to his customers:

- He must exercise reasonable care and skill to procure the agreed insurance.
- If the agent is unable to procure the agreed insurance, he must timely notify the customer so that the customer can attempt to obtain the coverage through other sources or take other action to protect himself.[1]

If a breach of the duty is established, then the agent may be liable to the customer for the benefits that the promised insurance would have provided if the promised coverage had been procured.

Similarly, if the agent agrees to provide the customer with advice about what insurance to obtain or to advise the customer about the meaning of an insurance policy, the agent must exercise reasonable care, skill and competence in providing that advice. If she provides negligent advice – *i.e.* advice lacking reasonable care and skill – then she can be liable for any loss suffered by the customer as a result of reasonable reliance on the advice.

[1] For example, if the agent notifies the customer that he has been unable to obtain requested automobile coverage, the customer can elect not to drive his vehicle until coverage is located.

LIMITS ON THE BASIC DUTY

No Duty to Procure Insurance Absent Undertaking

The basic duty discussed above applies only if the insurance agent has undertaken to procure coverage or provide advice. An agent is not obligated to assume the duty of procuring insurance for a customer – and therefore is not liable – if the particular coverage at issue was not requested or promised.

For example, in *Baggett v. Summerlin Ins. & Realty, Inc.*, 354 N.C. 347, 554 S.E.2d 336 (2001), adopting dissent at *Baggett v. Summerlin Ins. & Realty, Inc.*, 143 N.C. App. 43, 49, 545 S.E.2d 432, 467 (2001), the customer requested the agent to add a new business location to its existing property insurance policy. The existing policy expressly excluded coverage for flood. Although the new location had substantial flood exposure, the customer did not request the agent to procure flood coverage. After the new location flooded during a hurricane, the customer brought suit against the agent, claiming that the agent should have recommended and procured flood insurance on the location. The North Carolina Supreme Court held that the agent was not liable because the customer had not requested flood insurance and the agent therefore had no duty to procure flood insurance. The Supreme Court adopted the dissenting opinion of Judge Tyson in the Court of Appeals that stated:

> "An insurance agent has a duty to procure additional insurance for a policyholder at the request of the policyholder." . . . "[T]his duty does not, however, obligate the insurer or its agent to procure a policy for the insured which has not been requested." . . . Thus, the insurance agent's duty to a policyholder is limited to the nature of the policyholder's request to the agent.

Id. at 50-51, 545 S.E.2d at 467 (emphasis added and citations omitted).

The North Carolina courts have applied this principle in multiple other situations:

- An insurance agent who procured a workers' compensation policy for a customer had no liability for failing to recommend or procure property insurance that would have covered the building after substantial completion because the customer did not request such a policy. *Baldwin v. Lititz Mut. Ins. Co.*, 99 N.C. App. 559, 393 S.E.2d 306 (1990).
- An agent who had procured a general liability policy for a business was not liable to the customer for failing to recommend or procure workers' compensation coverage. The customer had not requested workers' compensation coverage. *Bigger v. Vista Sales & Mktg., Inc.*, 131 N.C. App. 101, 505 S.E.2d 891 (1998).
- An agent who procured the minimum limits automobile policy requested by his customer had no duty to recommend and procure a policy with greater limits so that plaintiff could have underinsured motorist coverage. *Phillips by Phillips v. State Farm Mut. Auto. Ins. Co.*, 129 N.C. App. 111, 497 S.E.2d 325 (1998).

- An insurance agent who procured the particular disability policy requested by plaintiff did not have a duty to recommend or procure a different disability policy that might have been preferable. *Cobb v. Pa. Life Ins. Co.*, 215 N.C. App. 268, 715 S.E.2d 541 (2011).
- An agent who procured a dwelling policy with coverage limits of $119,500 as requested, had no duty to procure or recommend higher limits when it turned out (after a loss) that it would require more than policy limits to actually replace the house. *Carter v. W. Am. Ins. Co.*, 190 N.C. App. 532, 661 S.E.2d 264 (2008).
- An agent who procured coverage protecting a vacant building against fire and other risks did not have a duty to recommend or procure a policy that also would have protected it against theft, when theft coverage was not requested by the customer. *Rayfield Props., L.L.C. v. Bus. Insurers of the Carolinas, Inc.*, No. COA12-791, 2012 N.C. App. LEXIS 1429 (N.C. Ct. App. Dec. 18, 2012) (unpublished).

No Duty to Explain Policy Provisions Absent a Request

Unless the customer asks, the applicable standard of care in North Carolina does not require the agent to explain policy terms. For example, in *Greenway v. N.C. Farm Bureau Mut. Ins. Co.*, 35 N.C. App. 308, 241 S.E.2d 339 (1978) the insurance policy procured by the agent contained a provision requiring plaintiffs to install a working telephone in order to qualify for 100% coverage. When the house was destroyed by fire, the policyholder could not recover the full amount of the loss because the house had no working telephone. The policyholder then sued the agent, contending that the agent should have explained the telephone requirement to them. The North Carolina Court of Appeals held that the policyholder did not have a valid claim:

> There is conflicting testimony as to whether plaintiffs knew of the telephone requirement. This conflict, however, does not raise a material issue of fact. It is clearly not the duty of an insurer or its agent to inquire and inform an insured as to all parts of his policy:
>
> > "We cannot approve the position that in the absence of a request it was the agent's legal duty to explain the meaning and effect of all the provisions in the policy, . . ." *Hardin v. Liverpool & London & Globe Ins. Co.*, 189 N.C. 423, 427, 127 S.E. 353, 355 (1925).
>
> Plaintiffs in this case made no request for explanation. ...

Another example is *Cobb*, 215 N.C. App. 268, 715 S.E.2d 541, in which the North Carolina Court of Appeals held that the agent did not have a duty to explain the difference between "own occupation" disability insurance and "any occupation" disability insurance in the absence of a request by the customer.

No Duty to Recommend Coverage Not Requested Absent Special Circumstances

Plaintiffs often argue that the insurance agent should have recommended additional or different coverage beyond that requested. As the cases cited above suggest, however, an insurance agent generally has no legal duty under North Carolina law to procure or recommend coverage beyond that specifically requested by the customer. In *Baggett*, 354 N.C. 347, 554 S.E.2d 336 for example, the plaintiff contended that the flood risk at the new location was so obvious that the agent should have recommended flood insurance even if it was not requested. The Supreme Court rejected that contention, holding that the agent's obligation was limited to what the customer had requested. The other cases cited above reach similar conclusions.

Lawyers for policyholder often argue that the insurance agent had a duty to recommend additional coverage because a "fiduciary relationship" exists between and insurance agent and his customer. A few North Carolina cases do say that insurance agents have fiduciary duties. The two primary examples are *Fli-Back Co. v. Phila. Mfrs. Mut. Ins. Co.*, 502 F.2d 214 (4th Cir. 1974) and *R-Anell Homes, Inc. v. Alexander & Alexander, Inc.*, 62 N.C. App. 653, 303 S.E.2d 573 (1983).

Subsequent court cases, however, have held that an agent's "fiduciary duty" is limited and consists only of the duty of procuring the policy requested by the customer and providing accurate advice, when advice is requested or given. In the recent case of *Carter*, 190 N.C. App. 532, 661 S.E.2d 264, the court expressly declined to extent the fiduciary duty to impose a duty on the agent to recommend increased coverage not requested by the customer.

THE AGENT'S DUTIES CAN BE EXPANDED BY EXPRESS OR IMPLIED AGREEMENT

The discussion in Part II describes the limits on the agent's standard of care under North Carolina law in the absence of a different agreement between the agent and her customer. An agent, however, can agree with the customer to assume greater duties than the law would otherwise impose. Such an agreement can be created by express words or it can be implied in the relationship between the parties. As noted at the beginning of Part I, the central rule is that the agent must do, with reasonable care, skill and competence, whatever he undertakes to do for the customer.

Express Agreements

Agents sometimes agree with a customer to review the customer's circumstances and recommend what insurance the customer needs. Such an undertaking by the agent creates a duty to exercise reasonable care, skill and competence in (i) evaluating the customer's needs, (ii) determining what insurance would be prudent for the customer to obtain and (iii) accurately communicating the recommendations to the customer. In other words, the agreement to perform the risk analysis creates a duty that would not have been imposed on the agent without the agreement.

As another example, insurance agents do not generally have a duty to advise customers on "how much" insurance they need; but an agent may have a greater duty if she undertakes to measure the customer's property and estimate replacement cost for purposes of determining policy limits.

Having undertaken such a task, the agent is required to perform it with reasonable case, skill and competence.

Similarly, if an agent purports to explain parts of a policy, then the agent must use reasonable care and competence to provide an accurate explanation.

Implied Undertaking to Procure or Advise

Agents can assume greater than normal duties even without expressly agreeing to do so. The North Carolina courts have held that an insurance agent may have an implied duty to recommend coverage not requested by the customer or to give advice not expressly requested if the circumstances would lead a reasonable customer to believe that advice and recommendations will be provided without request. See, e.g., *Alford v. Tudor Hall & Assocs.*, 75 N.C. App. 279, 282, 330 S.E.2d 830, 832 (1985):

> In determining whether an agent has undertaken to procure a policy of insurance, a court must look to the conduct of the parties and the communications between them, and more specifically to the extent to which they indicate that the agent has acknowledged an obligation to secure a policy. Where "an insurance agent or broker promises, or gives some affirmative assurance, that he will procure or renew a policy of insurance under circumstances which lull insured into the belief that such insurance has been effected, the law will impose upon the broker or agent the obligation to perform the duty he has thus assumed". . . . Further, if the parties have had prior dealings where an agent customarily has taken care of the customer's needs without consultation, then a legal duty to procure additional insurance may arise without express and detailed orders from the customers and acceptance by the agent. [Emphasis added.]

The Court of Appeals recently announced a similar test in determining whether an agent has an implied duty to advise the policyholder about the scope of coverage. See, *Cobb*, 215 N.C. App. at 275, 715 S.E.2d at 548:

> An implied duty to advise may only be shown if "(1) the agent received consideration beyond mere payment of the premium; (2) the insured made a clear request for advice; or (3) there is a course of dealings over an extended period of time which would put an objectively reasonable insurance agent on notice that his advice [was] being sought and relied on." [Emphasis added; citations omitted]

Thus, if an agent does not want to assume a duty to provide recommendations or advice not specifically requested by the customer, he should avoid conduct that would lead a reasonable customer to believe that recommendations and advice will be provided without request. Conduct that risks creating an implied duty includes, but is not necessarily limited to, the following:

- Regularly taking care of a customer's needs without advance consultation.
- Recommending some types of coverage not requested by the customer without informing the customer that the agent has not done a full risk analysis and that there might be other types of insurance needed.
- Representing that the agent has special expertise in recommending or procuring insurance for the customer's type of business.
- Having a practice of reminding customers when they have received notices of premium nonpayment so that the customer comes to believe that he can rely on the agent to remind him of past due bills rather than paying attention to the bills received directly from the carrier.

Any conduct that might create the impression that the agent will look after the customer without specific request should be accompanied by a disclaimer (preferably in writing). For example, an insurance proposal that offers various types of insurance should include a statement that other types or levels of insurance are available upon request by the customer. An agent who undertakes to explain part of a policy's provisions should make it clear that there are other policy provisions that might limit coverage in certain circumstances and that the customer should review the entire policy and ask questions.

CASE STUDIES

CASE NO. 1	
Line of coverage involved	Property and Casualty
Position of person in the agency involved	Owner of agency
Personal or Commercial Lines	Commercial Lines
Type of coverage involved	Flood coverage
Procedural or knowledge-based error	Failure to document offer of flood insurance
Claimant Allegation	Claimant requested that new location be added to existing property and casualty policy. New location was surrounded on three sides by water, and the claimant contended that the agent failed to recommend that flood insurance be added despite the obvious flood risk.

Settlement or Trial	Summary judgment granted in favor of agent and ultimately affirmed by the North Carolina Supreme Court.
Description of alleged error	Failure to recommend flood insurance
Tip to avoid claim	Although we won this case, the case would have been easier and cheaper to defend if the agency had documented its offer of flood insurance to the plaintiff in writing — at least in an activity note in the file and preferably in a written communication to the customer. The case also would have been easier to defend if the "provided by the agency" and not specified "all risk' insurance. Although this was a term of art in the insurance industry, the agent overlooked that customers are not always conversant with industry terms.

Summary of Case No. 1

The plaintiff had a place of business in Jacksonville, North Carolina. She purchased property and casualty coverage for that business through the defendant agency which quoted the coverage as "all risk." That policy had an express exclusion for flood coverage, and there was no particular flood risk at the Jacksonville location.

Plaintiff subsequently contacted the agency, and advised that she was opening a new location in Swansboro, North Carolina, which is surrounded on three sides by large bodies of water. Plaintiff requested that the Swansboro location be added to the existing policy. The processing agent recalled that he suggested that the plaintiff also secure flood coverage for that location, but she declined. The agency did not document this offer in writing.

The Swansboro business flooded and suffered substantial damage during Hurricane Bertha. Plaintiff's insurance claim was denied based on the exclusion for flood coverage, and plaintiff brought a lawsuit contending that (1) the agent should have recommended flood insurance and (2) the existence of the flood exclusion was inconsistent with the agent's original quotation on property and casualty policy as "all risk."

We were ultimately successful in persuading the trial and the North Carolina Supreme Court that the disagreement between plaintiff and defendant about whether flood insurance was offered was irrelevant because (1) the agent's duty was limited to complying with the customer's request, (2) the customer's request was to add the new location to the existing policy, which the agent accomplished, and (3) the flood exclusion was clearly set forth in the existing policy which plaintiff would have known if she had complied with her duty to read the policy.

CASE NO. 2	
Line of coverage involved	Property and Casualty
Position of person in the agency involved	Customer service representative (licensed agent)
Personal or Commercial Lines	Personal lines
Type of coverage involved	Homeowners — fire
Procedural or knowledge-based error	Failure to procure requested coverage
Claimant Allegation	Claimant claims to have called and requested agency to procure replacement homeowner's policy.
Settlement or Trial	Two trials: one hung jury and one verdict for the plaintiff at compromise amount
Description of alleged error	Agency allegedly failed to comply with plaintiff's request that it procure homeowner's coverage to replace policy that was being non-renewed because the carrier was withdrawing from the market
Tip to avoid claim	Maintain thorough activity log documenting communications with customers. Consider a follow-up letter to customers who have not replaced insurance, confirming that their insurance purchased through the agency has expired without being replaced.

Summary of Case No. 2

The agency had a substantial book of homeowner's business with an insurance carrier that was withdrawing from the market. All policyholders received notices from the carrier that their policies would not be renewed, and the agency sent letters advising the customers that they could contact the agency if they wanted the agency to obtain replacement coverage for them.

The plaintiff contended that he called the agency in response to these communications and requested that the agency replace his coverage. The agency denied that it ever received such a call. Unfortunately, the agency did not maintain activity logs documenting client contacts, and it did not send follow-up letters to customers who had not responded to the invitation to replace coverage by the time their policies expired.

Plaintiff's house suffered a major uninsured fire loss after his policy with the withdrawing carrier had expired. Plaintiff therefore brought a standard "failure to procure" claim.

We defended, contending that the testimony of the agency's customer service representatives was more credible than the plaintiff's testimony for a variety of reasons. We also argued that Plaintiff's credibility was undermined because he did not contact the agency when he did not receive a policy or a premium bill for the replacement coverage. We also used this point to support a contributory negligence defense.

The first trial of the case resulted in a hung jury with 10 members of the jury voting for the defense and two voting for the plaintiff. The second trial resulted in a verdict for the plaintiff, but for damages substantially less than claimed by the plaintiff.

CASE NO. 3	
Line of coverage involved	Property and casualty
Position of person in the agency involved	Agency owner
Personal or Commercial Lines	Commercial lines
Type of coverage involved	Worker's compensation
Procedural or knowledge-based error	Agency mistakenly issued certificate of insurance certifying the existence of a worker's compensation policy that had been cancelled months earlier.
Claimant Allegation	Building contractor who received the erroneous certificate of insurance contended that it relied on the certificate in allowing the subcontractor to work on the job on which the claimant was injured.
Settlement or Trial	Industrial Commission trial resulting in decision for agent
Description of alleged error	Agent was requested to issue a certificate of insurance for a customer's worker's compensation coverage to a general contractor for whom the customer was a subcontractor. In issuing the certificate, the agent overlooked that the policy had been cancelled several months earlier.
Tip to avoid claim	Use one of the agency management software programs that generates certificates of insurance based on information in the computer file, and make sure that the information in the computer is promptly updated when policies are cancelled. Here, the agent did a manual certificate of insurance and failed to check the file for cancellations before issuing the certificate. Using a well maintained agency software system to issue certificates of insurance would reduce the likelihood of this happening.

Summary of Case No. 3

The agency's customer was a subcontractor on residential construction jobs. The subcontractor purchased worker's compensation coverage through the agency, but that coverage was cancelled due to failure to pay audit premiums.

The subcontractor customer subsequently wanted to do work for a general contractor who, in accordance with North Carolina law, required all subcontractors to provide certificates of worker's compensation insurance. The agent, forgetting that his customer's worker's compensation coverage had been cancelled, sent a certificate of insurance to the general contractor.

Several months later, an employee of the subcontractor suffered a fall on the job resulting in paralysis and a worker's compensation claim of over $7 million. Because the subcontractor did not have worker's compensation coverage, the claimant contended that he was entitled to recover under the worker's compensation policy of the general contractor. That carrier, in turn, contended that it was entitled to be indemnified by the agent based on the incorrect certificate of insurance. That claim was asserted in the worker's compensation proceeding in the North Carolina Industrial Commission.

We contended that the Industrial Commission did not have jurisdiction over an errors and omissions claim and, in any event, that the general contractor did not reasonably rely on the certificate as a matter of law because North Carolina law requires the general contractor to obtain a separate certificate of insurance for each project, and the claimant was injured on a project different than the one on which the parties were engaged at the time of the certificate. The Industrial Commission agreed with both of these contentions.

The entire dispute ultimately was rendered moot because the North Carolina appellate courts concluded that the carrier that had cancelled the subcontractor's worker's compensation coverage had not properly followed the statutory procedure for cancellation so that the policy was still in effect.

CASE NO. 4	
Line of coverage involved	Property and casualty
Position of person in the agency involved	Customer service representative
Personal or Commercial Lines	Personal
Type of coverage involved	Homeowners

Procedural or knowledge-based error	Filling out homeowner's application for plaintiff without double checking information in agency file
Claimant Allegation	Plaintiff claimed that agency agreed to procure homeowner's coverage for the plaintiff's house and that the policy was rescinded by the carrier due to misrepresentations in the application filled out by the agency.
Settlement or Trial	Settlement for compromise amount
Description of alleged error	Checking "no" in response to the application question about prior cancellations when the agency that filled out the application for the customer had documentation in its file that there had been prior cancellations, and providing a date of construction that allegedly was wrong.
Tip to avoid claim	If the agency is going to fill out an application for the customer, the agent should be careful to check the entire file for all information responsive to the application. Equally important, the agent should have a standard practice of stressing to customers the need for them to review and correct application entries entered by the agency before signing.

Summary of Case No. 4

Agency's customer called to say that she was on her way into town and would like to sign the application for new homeowner's coverage while there. The agent's CSR therefore scrambled to prepare the application quickly in order to have it ready by the customer's arrival. In her haste, she checked "no" to the question about whether the customer had had previous cancellations or non-renewals. This undisputedly a mistake because the agency's own file reflected cancellations and a non-renewal based on payment history. The record was ambiguous about whether the agent urged the customer to double-check all entries before signing.

The customer's house was subsequently destroyed by fire with an alleged loss in the range of $450,000 to $550,000. After investigation, the insurance carrier announced that it was denying the claim and rescinding the policy due to misrepresentations on the application. In addition to the misrepresentation about prior cancellations, the carrier contended that the application misstated the date of construction of the house because it used the date on which the house was completely reconstructed with respect to all elements except the frame rather than the date on which the frame was originally constructed.

The customer brought suit against both the carrier and the agency, contending that they were entitled to recover on their claim under the policy or, in the alternative, that the agency was liable

for the loss because its mistakes in filling out the application resulted in a failure to procure.

Our primary defense was that the plaintiff had been contributorily negligent in signing the application without reading it carefully and correcting the mistaken entries. We also disputed the accuracy of the contents portion of plaintiff's damage claim.

The case settled at mediation with the insurance carrier contributing a small amount to the settlement and the plaintiffs accepting a substantially discounted amount in light of the contributory negligence defense and the uncertainty about the amount of their contents loss.

CASE NO. 5	
Line of coverage involved	Property and casualty
Position of person in the agency involved	Processing Agent and CSR
Personal or Commercial Lines	Commercial lines
Type of coverage involved	Worker's compensation and general liability
Procedural or knowledge-based error	Failure to clarify scope of agency's undertaking
Claimant Allegation	Plaintiff contended that the agency held itself out as having expertise in managing claims but allowed the insurance carrier to pay excessive claims, resulting in excessive payments under the self-insured restrictions and in increased experience rating and higher premiums for future policies.
Settlement or Trial	Settlement
Description of alleged error	Agency held itself out as having expertise in assisting customers to track and manage their worker's compensation claims. Plaintiff contended that the agent mismanaged the portfolio of worker's compensation claims by failing to make sure that the insurance carrier did not overpay the claims.
Tip to avoid claim	Be careful to clarify with the customer the limits on the agent's scope of engagement. Here, the agency meant that it would help customers keep track of their worker's compensation claims, act as a conduit of information between the customer and the carrier and provide risk management training to the customer's employees to reduce claims. The agency did not mean that it would control the worker's compensation carriers' adjustment of worker's compensation claims. This distinction, however, was

	not particularly clear in the agency's promotional materials and communications with the customer.

Summary of Case No. 5

The agency's customer had industrial locations throughout the United States with substantial worker's compensation exposure. The agency represented that it had expertise in recommending various types of insurance and in managing worker's compensation claims. The agency meant that it would help make sure that appropriate information from the customers communicated to the adjusters handling worker's compensation claims for the worker's compensation carrier, keep track of the adjustment of high dollar claims and make suggestions to the insurance adjusters were appropriate. Although the agency did not mean that it would micromanage the handling of individual claims by the insurance carriers' adjusters, this was not clearly spelled out, and the parameters of the agent's obligations therefore were fuzzy. The agency charged a separate fee for its services with respect to worker's compensation claim.

The customer subsequently brought suit alleging that the agent had been negligent in handling 26 worker's compensation claims resulting in overpayments costing the customer between $800,000 and $1.5 million.

Our defense was that primary responsibility for adjusting the worker's compensation claims lay with the worker's compensation carrier, not with the agent and that plaintiff's claims should be asserted against that carrier, not the agency. We also developed evidence that the customers were wrong in contending that a number of the claims had been mishandled. Many of the customer's grievances arose from frustrations inherent in dealing with a significant number of worker's compensation claims. We also challenged damage calculation because most of the claims would have required some payment, so that the amount that would have been paid on a well-managed claim should be deducted from the amounts actually paid.

After we incurred the expense of extensive discovery at locations throughout the eastern United States, the customer agreed to drop its claims against the agent in exchange for an agreement by us not to pursue a claim for recovery of the attorney's fees we had incurred in the defense.

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Michael T. Medford is a Shareholder member of Manning Fulton & Skinner PA in Raleigh and a member of the firm's litigation section. He has more than 35 years of experience litigating a broad range of business and commercial disputes, including extensive experience representing insurance professionals, insurance carriers and businesses in disputes relating to the procurement and issuance of insurance, interpretation of insurance policies and handling of claims under insurance policies. Mr. Medford earned his BA from the University of North Carolina in 1973, and his JD degree from Columbia Law School in 1976.