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PROCESSOR

NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA **COUNTY OF WAKE**	**BEFORE THE COMMISSIONER** **OF INSURANCE**
IN THE MATTER OF THE **LICENSURE OF** **CHARLES H. MARTIN** **LICENSE NO. 8272186**	**VOLUNTARY SETTLEMENT** **AGREEMENT**

Tom

NOW COME, Charles H. Martin (hereinafter "Mr. Martin") and the Agent Services Division of the North Carolina Department of Insurance (hereinafter "Agent Services"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "Agreement").

WHEREAS, Agent Services regulates and licenses motor vehicle damage appraisers in North Carolina; and

WHEREAS, Mr. Martin currently holds a motor vehicle damage appraiser license issued by the North Carolina Department of Insurance, License No. 8272186; and

WHEREAS, 11 N.C. Admin. Code 6A.1002 sets out ethical standards for licensed motor vehicle damage appraisers and requires that licensees refrain from "impeding the appraisal process or the settlement of a property damage claim[;]" and

WHEREAS, N.C. Gen. Stat. § 58-33-46(a)(2) authorizes the North Carolina Insurance Commissioner to suspend, revoke, place on probation, or refuse to renew any license where the licensee "violat[es] any administrative rule ... of the Commissioner" and 11 N.C. Admin. Code 6A.1002 is a North Carolina "administrative rule" promulgated by the Commissioner of Insurance applying to licensed motor vehicle appraisers, including Mr. Martin; and

WHEREAS, on November 25, 2025, a North Carolina consumer invoked the appraisal clause in the consumer's personal auto policy issued by Progressive Insurance. The consumer did not agree with the amount of loss proposed by Progressive arising out of a September 29, 2025 accident resulting in the total-loss of the consumer's 2023 Toyota Sequoia sports utility vehicle. The consumer identified William Walkowiak, a licensed motor vehicle damage appraiser, as his chosen appraiser; and

WHEREAS, the Progressive personal auto policy provided in pertinent part:

> *If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:*
>
> 1. *Pay its chosen appraiser; and*
> 2. *Bear the expenses of the appraisal and umpire equally.*

WHEREAS, on December 1, 2025, Progressive selected Mr. Martin to serve as its competent appraiser; and

WHEREAS, 11 N.C. Admin. Code 6A.1002(a)(3) requires that every licensed motor vehicle damage appraiser, when conducting business, "prepare an independent appraisal of damages[;]" and

WHEREAS, although Mr. Martin was selected to serve as the competent appraiser for Progressive on December 1, 2025, Mr. Martin did not provide a copy of his independent appraisal of damages to the consumer's appraiser until forty-five days later; and

WHEREAS, Mr. Martin's delay in providing his independent appraisal of damages was, in part, caused by the consumer's and Mr. Walkowiak's delay in providing a list of the over fifty aftermarket additions made to the 2023 Toyota Sequioa. Progressive supplied Mr. Martin with a list of the aftermarket additions on or about January 7 or 8, 2026; and

WHEREAS, due to the delay in resolving the property damage claim, the consumer submitted a complaint to the Consumer Services Division of the

North Carolina Department of Insurance (hereinafter "Consumer Services Division") in January 2026 alleging that Progressive was purposefully delaying the resolution of his property damage claim; and

WHEREAS, on January 13, 2026, the Consumer Services Division wrote to Mr. Martin and Mr. Walkowiak and requested that both licensed appraisers share "a detailed appraisal of the vehicle with each appraiser." The January 13, 2026 letter stated that "[s]haring detailed appraisals is a widely accepted and essential step in facilitating a fair and efficient process" and will "help ensure the policyholders rights are upheld without undue delay or impediment of the appraisal process[;]" and

WHEREAS, on January 15, 2026, forty-five days after Mr. Martin was selected as the competent appraiser for Progressive, Mr. Martin submitted a copy of his appraisal report to Mr. Walkowiak; and

WHEREAS, on January 20, 2026, Mr. Martin also submitted a copy of his appraisal report to the Consumer Services Division in response to a request made the same day. On January 21, 2026, Mr. Walkowiak refused to comply with the Consumer Services Division's January 20, 2026 request for a copy of Mr. Walkowiak's appraisal report. Mr. Walkowiak contended that the policy's appraisal clause required that he and Mr. Martin select an umpire before exchanging paperwork; and

WHEREAS, on January 21, 2026, the Consumer Services Division referred this matter to Agent Services to determine whether the actions of Mr. Walkowiak or Mr. Martin merited disciplinary action against their North Carolina motor vehicle damage appraiser licenses; and

WHEREAS, on January 24, 2026, Tommy Walls, Senior Compliant Analyst with Agent Services, emailed Mr. Martin and Mr. Walkowiak advising the appraisers that unless independent appraisals of damages were exchanged and an umpire selected by February 5, 2026, Agent Services would schedule informal conferences with both licensed appraisers; and

WHEREAS, Mr. Walkowiak did not exchange an independent appraisal with Mr. Martin and the two appraisers did not agree on an umpire prior to February 5, 2026; and

WHEREAS, on February 10, 2026, Mr. Walls notified Mr. Martin and Mr. Walkowiak that Agent Services wished to discuss their alleged violations of 11 N.C. Admin Code 06A.1002(a)(3) and (b)(4) in connection with the appraisal of the consumer's sports utility vehicle. The informal conferences were scheduled to occur on March 12, 2026; and

WHEREAS, due to a scheduling conflict, the informal conference with Mr. Walkowiak was rescheduled to occur on March 9, 2026; and

WHEREAS, on February 17, 2026, seventy-eight days after Progressive selected Mr. Martin as its competent appraiser, Mr. Walkowiak first shared his independent appraisal of damage with Mr. Martin. The difference between Mr. Martin's estimated actual cash value of the vehicle and Mr. Walkowiak's estimate was $4,400; and

WHEREAS, on March 5, 2026, one hundred days after the consumer invoked the policy's appraisal clause, Agent Services advised Mr. Martin and Mr. Walkowiak that it appeared that the appraisers could not reach an agreement on the actual cash value of the vehicle and, accordingly, asked that the appraisers agree on a method to select an umpire by March 6, 2026; and

WHEREAS, on March 5, 2026, Mr. Martin proposed that Mr. Walkowiak agree to use a structured strike method to select an umpire or allow a magistrate to select the umpire so that the appraisal process could proceed. However, the appraisers were unable to agree on a method to select an umpire by March 6, 2026; and

WHEREAS, on March 13, 2026, three months and 16 days after the consumer invoked the policy's appraisal clause, Mr. Martin and Mr. Walkowiak agreed to the actual cash value of the consumer's Toyota Sequioa, bringing the consumer's appraisal of loss to a close; and

WHEREAS, in Agent Services' experience, where licensed motor vehicle damage appraisers cooperate in good faith, the appraisal process for first-party disputes under the appraisal clause in North Carolina personal auto policies does not require more than three months to complete; and

WHEREAS, while the actions of Mr. Walkowiak were the primary cause, Mr. Martin's forty-five day delay in sharing his independent appraisal of damages with Mr. Walkowiak (December 1, 2025 – January 15, 2026) also impeded the appraisal process and the settlement of the consumer's property damage claim, in violation of 11 N.C. Admin. Code 06A.1002(b)(4); and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), Agent Services, as an authorized designee of the Commissioner of Insurance, has express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's North Carolina insurance license, or as to any civil penalty or restitution; and

WHEREAS, Agent Services contends, and Mr. Martin disputes, that Mr. Martin's delay in sharing his independent appraisal of damages would otherwise justify adverse administrative action against his license under N.C. Gen. Stat. § 58-33-46(a)(2) and 11 N.C. Admin. Code 06A.1004(b)(4); and

WHEREAS, Mr. Martin has agreed to settle, compromise, and resolve the matters referenced in this Agreement on behalf of himself, and Agent Services has agreed not to pursue additional civil ramifications, including penalties, sanctions, remedies, or restitution based on the violation described above in this Agreement; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations, if any, conducted by the North Carolina Department of Insurance's Criminal Investigation Division for violation of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent prior to administrative hearing; and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Mr. Martin and the Agent Services Division hereby agree to the following:

1. Upon signing this Agreement, Mr. Martin shall pay a civil penalty of five hundred dollars **($500.00)** to the Agent Services Division. The form of payment shall be by certified check, cashier's check, law firm trust account check, or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance."

2. Together with the civil penalty payment, Mr. Martin shall return a signed copy of this Agreement by hand delivery or U.S. Certified Mail, return receipt requested, addressed to "NCDOI Agent Services Division (Attention: Tommy Walls), 1204 Mail Service Center, Raleigh, N.C.

27699-1204." **The civil penalty and the signed Agreement must be received by the Department no later than <u>Monday, June 1, 2026</u>.** The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.

3. Mr. Martin also agrees to meet in person with Mr. Walkowiak prior to June 1, 2026 to discuss strategies to avoid the delay and issues that arose in the instant matter in future first-party appraisals involving North Carolina consumers. The meeting will occur at a mutually-agreeable location at a mutually convenient time. Counsel for Mr. Martin and/or Mr. Walkowiak may also attend the meeting. Following the meeting, Mr. Martin agrees to send an email to tommy.walls@ncdoi.gov certifying that the meeting was held.

4. This Agreement does not in any way limit the North Carolina Department of Insurance's or the Agent Service Division's disciplinary power in any future examination of Mr. Martin.

5. Mr. Martin enters into this Agreement, on behalf of himself, freely and voluntarily and with the knowledge of his right to proceed to an administrative hearing on this matter. Mr. Martin acknowledges that he has been afforded the opportunity to consult with an attorney prior to entering into this Agreement.

6. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Mr. Martin acknowledges and understands that N.C. Gen. Stat. § 58-33-46(a)(2) provides that an insurance producer license may be revoked for violating an Order of the Commissioner.

7. This Agreement, when finalized, will be a public record and will **<u>not</u>** be held confidential by the North Carolina Department of Insurance or the Agent Services Division. Following the execution of this Agreement, all licenses issued by the North Carolina Department of Insurance to Mr. Martin shall reflect that Regulatory Action has been taken against him. The North Carolina Department of Insurance is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure.

8. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.

9. Be aware that if a state or federal regulator other than the North Carolina Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it.

[redacted]

Charles H. Martin
N.C. License No. 8272186

Date: 5-27-26

AGENT SERVICES DIVISION OF THE NORTH CAROLINA DEPARTMENT OF INSURANCE

By: [redacted]

Joe Wall
Deputy Commissioner of the Agent Services Division

Date: 6/2/2026