

BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

LEONARD NICE,

Complainant,

v.

Administrative Proceeding No. 25-IC-184413

MS TRANSVERSE SPECIALTY INSURANCE COMPANY,

Respondent.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND
ORDER DENYING REQUEST FOR A HEARING

This matter came before the West Virginia Offices of the Insurance Commissioner (hereinafter, "OIC"), on Leonard Nice's (hereinafter, "Complainant") request for a hearing on his third-party administrative complaint filed against MS Transverse Specialty Insurance Company, (hereinafter, "Respondent"). After consideration of Complainant's hearing request, the undersigned OIC did proceed to make the following findings of fact, conclusions of law, and order.

FINDINGS OF FACT

1. Complainant was involved in automobile accident on or about April 27, 2025, and the claim was reported to Global Claims Services ("GSC"), claims administrator for Respondent, on or about April 29, 2025.
2. On or about July 14, 2025, the property damage was resolved, and a check was issued to Mr. Nice in the amount of \$8,821.54.
3. On or about July 22, 2024, GCS, following a review of Complainant's medical records, Complainant received a signed and notarized release accepting a \$20,000 settlement offer.

4. On July 23, 2025, GCS received an email from attorney George Farneth advising he is representing Complainant and his wife. The email advised that Complainant felt they are unduly pressured, and they are withdrawing release they previously signed.

5. On or about July 23, 2025, GCS's claim file indicates Complainant called and advised that he did not sign papers to have a lawyer.

6. On or about July 24, 2025, GCS's claim file indicates Mr. Farneth sent an email stating his clients had decided to go it alone and he is no longer representing Complainant and his wife.

7. On or about July 24, 2025, the settlement check was issued and GCS received confirmation that the check was cashed and cleared that day.

8. On or about September 15, 2025, the OIC received a third-party administrative complaint from Complainant requesting the WV OIC to reopen his claim so he can hire a lawyer. The complaint stated that GCS told him that they would give him \$100,000 if he got rid of his attorney.

9. The OIC investigated the allegations made in Complainant's third-party administrative complaint. The OIC concluded that Respondent had not violated any insurance laws or regulations of the State of West Virginia. A "no-merit" letter was mailed to Complainant on or about November 21, 2025, stating there existed a "good faith dispute" between the parties over the value issue.

10. On January 5, 2025, Complainant emailed the OIC requesting a hearing upon the merits of his third-party administrative complaint. Complainant states that he was talked into handling his settlement without a lawyer and he was in no frame of mind to settle due to his injury.

CONCLUSIONS OF LAW

1. Regarding third-party complaints, the Commissioner does not have the general authority to adjudicate the merits of an underlying claim involving a good faith dispute over value pursuant to W.Va. Code §§33-11-4a. The Commissioner is tasked with resolving third-party complaints regarding unfair claims settlement practices against an insurance company. However, W.Va. §§33-11-4a. does not give the Commissioner the authority to order an insurance company to pay a third-party claimant's underlying damages.

2. A disagreement regarding liability or value for an underlying claim does not alone signal an unfair claims settlement practice. "So long as the insurer acts in good faith, the insurer is not held to standards of omniscience or perfection; it has leeway to use and should consistently employ its honest business judgment." *Jackson v. State Farm Mut. Auto. Ins. Co.*, 215 W.Va. 634, 600 SE2d 346 (2004), quoting *Peckham v. Continental Cas. Ins. Co.*, 895 F2d 830, 835 (1st Cir. 1990). Respondent simply must show that its investigation was done in good faith given its own knowledge at the time of the relevant facts and claim concerning the underlying claim. See *Jackson supra*, at 642, quoting *Bolden v. O'Connor Café of Worchester, Inc.*, 50 Mass App 577; 34 N.E.2d 726 (2000).

3. Respondent promptly conducted and diligently pursued a thorough, fair and objective investigation into their settlement offer to the Complainant.

4. During the course of OIC's investigation, no evidence was found to support the allegation that Complainant was told that he would receive \$100,000 if he fired his attorney.

5. Evidence was found to show Mr. Nice's medical bills at the time of settlement were paid and he was provided an additional \$20,000 for settlement.

6. No violations of the West Virginia insurance laws or regulations were found on behalf of Respondent in the handling of Complainant's claim.

7. W. Va. Code §33-2-13 states, in pertinent part, "the commissioner may call and hold hearings for any purpose deemed necessary by him for the performance of his duties." Further, W.Va. Code R. § 114-13-3.3 states:

3.3 Hearing on written demand ~ When the commissioner is presented with a demand for a hearing as described in subsections 3.1 and 3.2 of this section, he or she shall conduct a hearing within forty-five (45) days of receipt by him or her of such written demand, unless postponed to a later date by mutual agreement. However, if the commissioner shall determine that the hearing demanded:

a. Would involve an exercise of authority in excess of that available to him or her under the law; or

b. Would serve no useful purpose, the commissioner shall, within forty-five (45) days of receipt of such demand, enter an order refusing to grant the hearing as requested, incorporating therein his or her reasons for such refusal. Appeal may be taken from such order as provided in W.Va. Code §33-2-14.

8. W.Va. Code §33-2-13 and W.Va. R §114-1-3.3 afford the Commissioner discretion in deciding whether a hearing would serve a useful purpose. Holding a hearing in this matter would involve an exercise of authority in excess of that available to the Commissioner under the law in that it would be asking him to adjudicate a good faith dispute regarding the Complainant's underlying claim. This matter was properly closed pursuant to W.Va. Code § 33-1-4a(g), and a hearing on the matter would serve no useful purpose.

ORDER

Wherefore, since a hearing in this matter would serve no useful purpose and would involve an exercise of authority in excess of that available to the Commissioner under the law, it is **ORDERED** that the Complainant's request for a hearing is **DENIED**. Inasmuch as orders entered by the West Virginia Insurance

Commissioner are subject to judicial review in the Intermediate Court of Appeals as set forth in W.Va. Code §51-11-4(b)(4)2, any person aggrieved by this Order may, within 30 days after the entry of judgment being appealed, file an appeal as set forth in W.Va. Code §33-2-14 and W.Va. R.A.P. Rule 5(b).

ENTERED this the 23rd day of January 2026.



Allan L McVey
West Virginia Insurance Commissioner