

## Insurer Settles Policy Poaching Suit Against Agent

By **Dietrich Knauth**

Law360, New York (October 17, 2011, 2:02 PM ET) -- American National Property & Casualty Co. and Campbell Insurance Inc. settled a trade secrets and breach of contract suit in Tennessee on Friday, with Campbell agreeing to pay \$800,000 to end claims that it poached customers from American National.

American National alleged that Campbell — which acted as an insurance agent for American National within a 150-mile radius area in Tennessee — used the larger insurer's trade secrets and breached noncompete stipulations by forming A2Z Insurance Inc., and using the new company to steal the plaintiff's customers, according to American National's complaint filed in 2008.

In settling, Campbell and its founders, Tommy Campbell and Colleen Campbell, agreed that they had breached the agent agreement, and that American National was entitled to reimbursement of premium losses. The settlement was approved by U.S. District Judge Aleta Trauger, who dismissed the case Friday.

The case had been set for a Nov. 1 trial after Judge Trauger had denied summary judgment on the remaining claims in the case in July. The court previously found that certain actions by Tommy Campbell breached provisions of the agreement.

The Campbells signed on as insurance agents with the company in 1997 and formed Campbell in 2000, according to court documents. American National and the defendants signed an agreement in 2005 that designated the company as an exclusive agent, and barred the Campbells from working on behalf of other insurance companies, the documents said. The agreement also included certain noncompete requirements on termination, the plaintiff claimed.

However, in 2007, Colleen Campbell resigned from the company and formed A2Z, with Tommy Campbell helping the new entity contract with other insurance companies, according to American National. Campbell employees conducted all of A2Z's business in late 2007 and early 2008, the plaintiff said.

According to American National, the suit was filed after a "suspicious and dramatic decline in the number of units of insurance Campbell Insurance was writing," and an investigation was conducted.

The complaint said that 252 customers serviced by the Campbells canceled their accounts between 2007 and 2008, accounting for \$157,000 in lost premiums. The plaintiff terminated the 2005 agreement in June 2008, and Campbell employees, including Tommy Campbell, joined A2Z while the company effectively dissolved, American National said.

While American National initially sought \$157,000 from Campbell, the litigation revealed that the damages were much more extensive than that, according to Thor Urness, an attorney for the plaintiff.

"American National is very pleased to have the case resolved on these terms," Urness said Monday.

Representatives for Campbell could not immediately be reached for comment.

American National is represented by Jonathan D. Rose, Thor Urness and Heather Howell Wright of Bradley Arant Boult Cummings LLP.

Campbell is represented by Steven W. Keyt, Cherie D. Jewell and Benjamin T. Reese of Leitner Williams Dooley & Napolitan PLLC.

The case is American National Property and Casualty Co. v. Campbell Insurance Inc. et al., case number 08-cv-00604, in the U.S. District Court for the Middle District of Tennessee.

--Additional reporting by Megan Leonhardt. Editing by Andrew Park.

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