

# TEXAS AUTOMOTIVE

October 2018 The official publication of the Auto Body Association of Texas and the Houston Auto Body Association  
\$5.95



**OEM Blueprint  
Repair Plan  
VS.  
Insurance Photo  
App Estimate**

**Nissan on  
Feather, Prime  
& Block**

**OEM Crash Test Results  
Revealed & More:  
2018 Texas Auto Body  
Trade Show Highlights**



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## Ask the Expert

### “OEM BLUEPRINT REPAIR PLAN” VS. “INSURANCE PHOTO APP ESTIMATE”

Dear Mr. McDorman:

I manage a collision facility in the Dallas-Fort Worth market. I am seeing more and more of our clients come to us after using an insurance photo app estimate process for their claim. On each of these claims, we perform a teardown to create a true and accurate blueprint repair plan based on the required OEM procedures and parts needed to restore the vehicle back to its pre-collision condition. These teardowns reveal a substantial difference between the required OEM blueprint and the insurance carrier's photo app estimate. Do you see this as a common occurrence, or is it just an issue at our location? If this is a common occurrence, are there downsides for the claimant/insured to be aware of when using the insurance photo app estimate process to manage their collision claim and loss?

This is a great question. You are not alone by any means, and there are indeed downsides for the claimant or insured when using the insurance photo app estimate process to manage their collision claim. Last year, ABAT randomly selected several photo estimates from various insurance carriers and submitted them to the Texas Department of Insurance. A few of these photo app estimates revealed alarming trends, such as a 2015 BMW with five hours on the quarter and seven hours on the right rear door. In reality, this vehicle needed a quarter panel replacement and a right rear door shell. The photo app estimate total was \$1,044.19 with a customer deductible of \$1,000. The insured received a check for \$44.19 after the \$1,000 deductible, but the final repair amount to return the BMW back to its pre-loss OEM condition will be above \$7,000 when completed. The photo app estimate contained the following note:

*Potential hidden damage. Please ask your repairer to inspect when your vehicle is brought in for repairs.*

Clearly, even the photo app realizes it is impossible to write a safe and proper repair estimate without a thorough inspection. Safety is paramount; every collision-damaged vehicle should be inspected by a trained professional before being driven.

In our experience, the average photo app estimate we see in our office is grossly undervalued. This only considers clients who retain us to assist them in being made whole for their loss. There are other claimants and insureds who utilize the insurance photo app estimate process and don't have vehicles repaired for one reason or another. Instead, they pocket the funds. There is no question they are not being made whole by accepting the photo app as the sole indicator of the loss settlement. Either scenario is clearly an indemnity issue.

The damaging effect of the photo app is not solely limited to the lowballing of the repair estimate. As an example, an individual uses the photo app process for a liability claim, accepts the payment tendered from the insurance carrier for the estimate and has the funds direct-deposited into their checking account (or they cash the check). In most cases, this would preclude the claimant from going back to their carrier and filing the claim if the at-fault carrier isn't willing to return the vehicle back to its pre-loss OEM condition. By the claimant being blocked from using their own insurance carrier to repair their vehicle if so needed or desired, their ability to invoke the appraisal provision in a contest of the proposed loss settlement is barred. The appraisal provision is a valuable tool for the insured when needed. The appraisal provision allows the insured to remove the inexperienced claim handler's ability to mismanage the claim and undervalue the loss settlement and places the claim management in the hands of experienced professionals. When an insured is blocked from going back and filing the claim with their carrier, they could end up being under-indemnified by using the insurance photo app process.

By Robert L. McDorman



Robert L. McDorman is a recognized Public Insurance Adjuster and Certified Vehicle Value Expert specializing in motor vehicle-related insurance claim resolution. As the general manager of Auto Claim Specialists, Robert expertly leads the National Public Insurance Adjuster Agency, which is currently licensed in 11 different states and specializes in providing automotive-related claim liquidation techniques, strategies and motor vehicle valuation services to all parties, including individual consumers, body shops, auto dealers, repair facilities, towing and storage operations, lenders, finance companies, banks, legal professionals, governmental agencies and others. The firm's consistent success can be attributed to Robert's 25+ years of automotive industry knowledge, practical hands-on experience and multiple certifications, including licensure by the Texas Department of Insurance as a Public Insurance Adjuster. Auto Claim Specialists clients can absolutely trust that they will be provided with analytical, sophisticated, state-of-the-art, comprehensive, accurate, unbiased and up-to-date data and information that all parties can rely upon as both factual and objective.

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## Cover Story

### McDorman Explores the Value of OEM Repairs

"The enemy of a safe repair is the suppression of rates and the suppression of procedures."

That was just one of the hard-hitting statements made by Public Insurance Adjuster, ABAT Board member and Texas Automotive contributor Robert McDorman (Auto Claim Specialists) during his special presentation at the 2018 Texas Auto Body Trade Show. McDorman's seminar detailed the insurance industry's habit of improperly estimating vehicle damage and subsequently underpaying claims – and the need for shops to stand their ground against these practices.

Throughout his discussion, McDorman provided a variety of examples that illustrated the importance of properly written estimates. In one case, a 2014 Mercedes-Benz GLK350 was involved in a combination front- and rear-end collision. GEICO valued the vehicle at \$23,690.82, with the company's estimate totaling \$15,518.42 (\$10,718.23 front end and \$4,800.19 rear). However, these estimates were written for used and/or non-genuine Mercedes-Benz parts. McDorman (through Vehicle Value Experts) came to \$20,131.49 (\$15,331.30 front and \$4,800.19 rear) for a proper OEM repair. GEICO threatened to total the car; however,

McDorman's valuation for the vehicle (agreed upon with the insurer's hired outside appraiser) was \$32,500.00, which exceeded the proper repair cost by over 50 percent. As a result, the vehicle could not be legally totaled in Texas, and the car was eventually repaired to full OEM specifications at a certified Mercedes-Benz facility.

"It's an indemnity issue; what [insurance companies] owe is what they owe," McDorman said. "How you hold them accountable is through education and documentation. If you don't write it down, it didn't happen."

Additionally, McDorman stressed that shops have one true role in the repair process: To bring the vehicle back to pre-loss condition using manufacturer-approved procedures.

"If the shop takes the insurance company estimate and does not hold [the carrier] accountable against their own estimate and repairs that car exactly like the insurance company says to, who's responsible?" he asked.

"The shop," replied several attendees.



Robert McDorman  
(Auto Claim Specialists)

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As a Public Insurance Adjuster, I would strongly suggest to my clients that they not use the photo app process as a mechanism to manage and settle their loss. There is no substitute for a physical inspection of the loss. In my professional opinion, the true, accurate and safe method to construct a proper OEM collision repair plan and identify the factual cost of said repair is to have a collision facility tear down the vehicle, inspect it and construct an OEM blueprint using the most current procedures and OEM replacement parts.

In closing, the claimant or insured should always place safety ahead of convenience. We have found the safest and most complete method known to man to identify a loss is the physical inspection of said loss.

I thank you for your question and look forward to any follow-up questions that may arise.

Sincerely,

Robert L. McDorman

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**AUTO CLAIM SPECIALISTS**  
"Fair settlements come from knowledge and negotiation"

L to R: Ware Wendell (Texas Watch), Rep. Travis Clardy, Rep. Nicole Collier, Rep. Giovanni Capriglione, Robert McDorman (Auto Claim Specialists), Burl Richards (ABAT)

