

# TEXAS

# AUTOMOTIVE™

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**September 20-21, 2019**

**Will Rogers Mem'l Center Fort Worth, TX**



## WHAT IS ONE OF THE MOST BIZARRE CLAIMS YOU HAVE HANDLED?

Dear Mr. McDorman:

Each month, I read your responses to various questions from readers. As I read through them, I routinely see similarities between the other readers' issues and ones that I have. I have found that several of the editorials have helped me resolve some of these problems. I am sure through your years of handling insurance claims, you have seen your share of bizarre situations and outcomes. Can you tell us about a unique claim that you have handled and its outcome?

Thank you for your question. Almost every day, something out of the ordinary arrives at our office in regard to the carrier's management of

motor vehicle claim loss. Our database meticulously documents the findings and outcomes. There is a relatively simple recipe to creating a unique claim and its outcome. However, there have been a couple of unique situations that totally caught me off guard. Here is one that comes to mind.

In May 2018, I had an insured call me in reference to a procedural issue on the repair plan for his 2017 Ford Mustang Roush Stage 3. This loss occurred on February 7, 2018. The issue at hand was that the potential client's insurance carrier's appraiser wrote a repair estimate for \$9,056.63. The collision facility had written a preliminary repair estimate for \$61,037.75 and informed the carrier the Mustang could not be safely returned to its OEM pre-loss condition. The repair facility adamantly recommended the

Robert 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 this 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 35+ 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. Robert can be reached at (800) 736-6816, (817) 756-5482 or [asktheexpert@autoclaimspecialists.com](mailto:asktheexpert@autoclaimspecialists.com).



vehicle be deemed a total loss. Our potential client's insurance carrier refused to objectively look at the facts and analyze its repair estimate, and it insisted the car was repairable. After the insured spent over five months dealing with the insurance carrier, the insured hired us on July 26, 2018. Shortly after we were retained, we invoked the right of appraisal with the insurer. The carrier accepted and retained their independent third-party appraiser and provided us with their contact information.

The insurance carriers' independent third-party appraiser and I agreed with the collision facility's preliminary repair plan for \$61,037.75. The insurance carriers' independent third-party appraiser and I agreed the Mustang could not be safely returned to its OEM pre-loss condition and was in fact a total loss. We both agreed to construct our separate loss statements and send to each other to review.

At the conclusion of our negotiations, we ended up agreeing on an actual cash value (ACV) of \$57,000 for the Mustang. We signed the Binding Agreement Letter, and the independent third-party appraiser who was retained by my client's insurance carrier accepted it and turned it into his client. The next day, the independent appraiser who was appointed by the insurance carrier called me and informed me his client was not going to accept our agreement to deem the vehicle a total loss. After reviewing the pictures, the carrier's desk review adjuster was confident the car was not a total loss and could be repaired for \$9,053.63.

After several days of negotiations with the carrier's independent appraiser, and at the request of the carrier, we agreed to select an umpire to review both loss statements and issue a ruling. On September 30, 2018, the umpire ruled that the Mustang could not be returned to its pre-loss OEM condition and awarded an ACV of \$63,000. At this point, the carrier agreed that its original \$9,056.63 repair estimate could not safely repair the Mustang, deemed it a total loss and paid our client the ACV award. On October 24, 2018, the carrier picked up the Mustang from the collision facility and paid the collision facility \$18,719.62 in related fees, including blueprint, inspection, teardown and storage.

Over the years, we have handled thousands of complex appraisal clause assignments. The catalysts for a unique claim handling situation are inexperience, a refusal to listen to the

**The catalysts for a unique claim handling situation are inexperience, a refusal to listen to the facts, an inability to comprehend the facts, greed, disrespect, stubbornness, ignorance, an inability to learn and an unwillingness to change. Any two of these are ingredients for disaster.**

facts, an inability to comprehend the facts, greed, disrespect, stubbornness, ignorance, an inability to learn and an unwillingness to change. Any two of these are ingredients for disaster. The appraisal process in most policies will allow the insured the relief needed to ensure they are made whole. The appraisal process in most policies grants the insured the right to remove the inexperienced claim handler's ability to mismanage the claim and place it in the hands of experienced professionals to adequately manage the loss.

The spirit of the **Appraisal Clause** is to resolve loss disputes fairly and to do so in a timely and cost-effective manner. Through the **Appraisal Clause**, loss disputes can be resolved relatively quickly, economically, equitably and amicably by unbiased, experienced, independent third-party appraisers when compared to mediation, arbitration and litigation.

Please call me should you have any questions relating to the policy or covered loss. We have most insurance policies in our library. Always keep in mind a safe repair is a quality repair, and quality equals value. I thank you for your questions and look forward to any follow-up questions that may arise.

Sincerely,  
**Robert L. McDorman TXA**