Legislating Advancement for the Texas Collision Repair Industry

"We have to talk about the problems if we're ever going to fix them," moderator Robert McDorman (Auto Claim Specialists) kicked off the "Lunch & Legislation Panel," which featured ABAT Lobbyist Jacob Smith (Longleaf Consulting), ABAT President Burl Richards (Burl's Collision Center; Henderson), Representative Julie Johnson (District 115) and Representative Travis Clardy (District 11), who discussed safety and security-related issues in collision repair, the upcoming legislative session and what changes ABAT hopes to effect for the Lone Star State's auto body businesses and consumers.

Although Ware Wendell (Texas Watch) was unable to attend, McDorman read a statement on his behalf: "Know that I and Texas Watch will be right by your side this session, pushing for strong reforms that ensure quality repairs are made with quality parts, following safety guidelines. Gone are the days when the insurance companies get to call the tune. It's time to put consumers and repair professionals first when it comes to putting vehicles safely back on the road."

Since ABAT was founded, the association's leadership has sought to pass legislation related to proper repairs based on the OEM recommended procedures which would also address the differences between original and aftermarket parts. This session, Representative Clardy will sponsor the newest iteration of this bill as well as ABAT's second pass at an Appraisal Clause bill, which would require insurers to include Right to Appraisal in all policies.

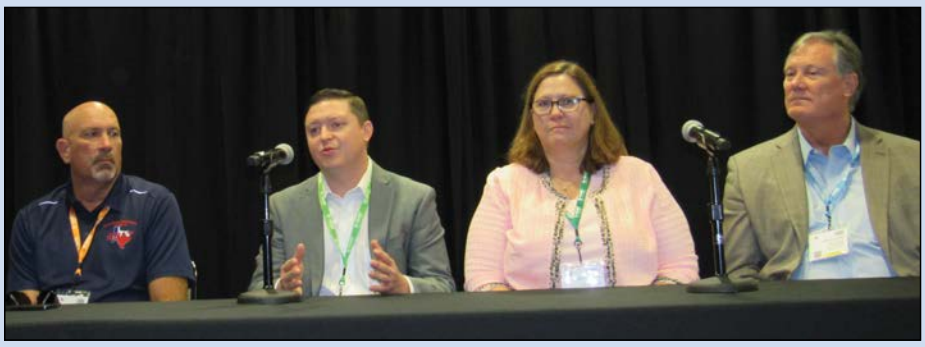
"The Right to Appraisal solves problems in an amicable way," McDorman suggested.

Representative Clardy agreed, "The process works. It's fair and levels the playing field...and that makes insurance companies very uncomfortable. They don't like the concept of 'loser pays,' but what could be more fair than going to an independent umpire who makes the decision and the loser pays expenses? Everyone has equal risks."

Sharing a personal story about his own recent total loss, Clardy recalled an "unexpected moment of honesty" from an insurance representative, who told him, "If we paid claims like we're supposed to, we'd have to pay more money. Then, our premiums will have to go up."

"You can tell the Appraisal Clause works and is fair because more insurance companies are removing Right to Appraisal from their policies," Smith observed. "Only two percent of all policyholders with denied claims are willing to fight it in court, and when they do, carriers have the funding to simply wait them out."

"The Right to Appraisal is important because it puts the consumer back on equal footing and gives the consumer an opportunity to have their car repaired properly," Richards emphasized. "The insured's rights all come down to the policy language, and although the



Texas Department of Insurance (TDI) is charged with protecting Texas drivers, they allow these egregious policies that basically state insurers can dictate the entire repair. TDI does absolutely nothing to help consumers – they're as useless as tits on a boar hog!"

"We're facing a giant, but every session, we've gotten better and outworked them. We've just been beaten by the clock," Smith acknowledged. "We must protect consumers...and that means we need to hear from all of y'all."

Representative Johnson agreed:

"We need to hear from more of you – your voices aren't loud enough! Participation in the legislative process is exceedingly important and helpful, so we love to see our constituents rally and get involved. If you want to help get these bills passed for your industry, more of you need to actively engage in the process.

"Reach out to your state representative and senator to let them know this hits home," Smith urged Texas repairers. "You and your employees are voters, so your legislators need to know you're upset that your business is under attack. That's how we can move this legislation forward."

"If they don't hear our needs, how can they help us?" McDorman asked. "If you want to ***see*** change, you have to ***be involved*** in change. We need our entire industry to come together."