

The official publication of the Auto Body Association of Texas (ABAT)

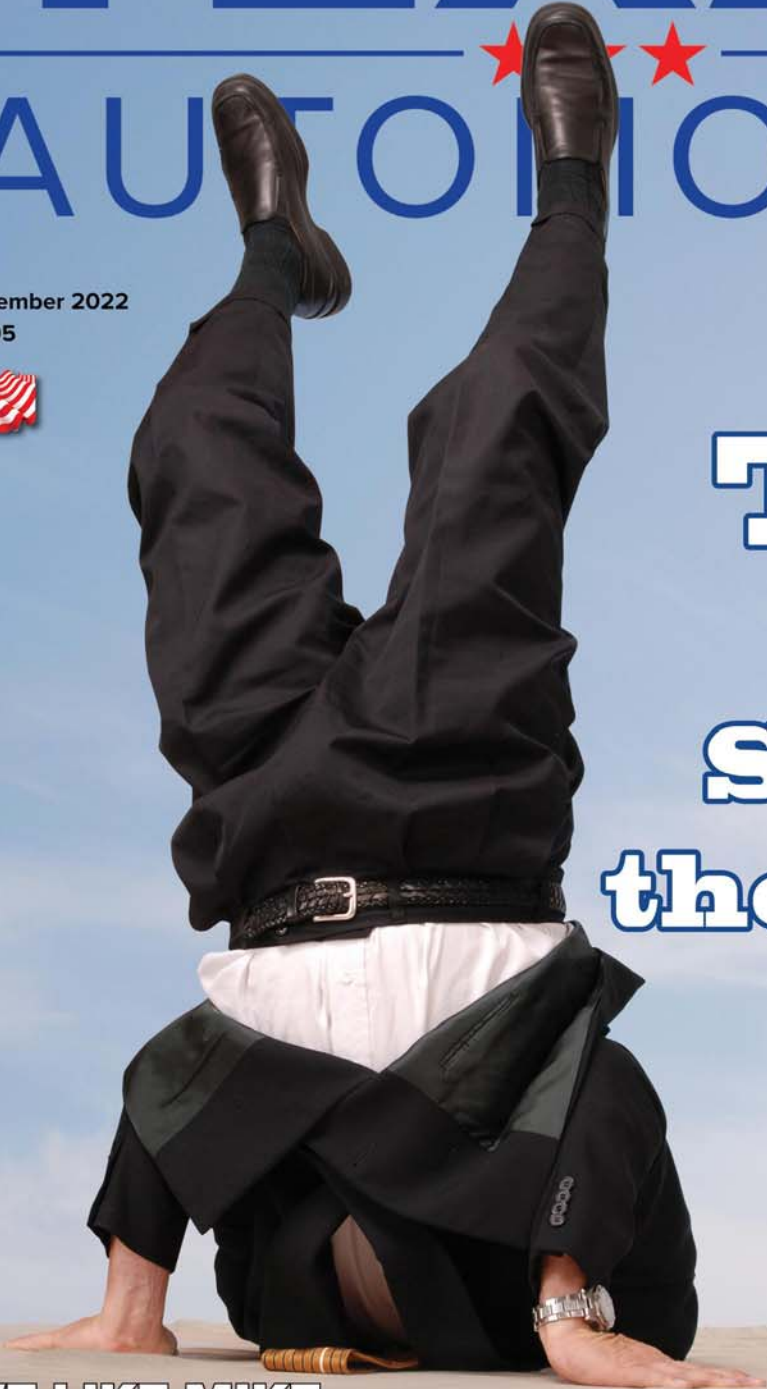
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MORE QUESTIONS FROM THE TEXAS HOUSE COMMITTEE'S SEPTEMBER HEARING

Dear Mr. McDorman:

I own and operate a collision facility in Southeast Texas and am a strong advocate of the mandatory Right to Appraisal you have been championing for motor vehicle loss disputes in Texas. I also watched the entire September 6 hearing you participated in at the Capitol. Having read your editorial from last month clarifying who the insurance carriers being discussed in the hearing were, I have a few further questions. My first question is about the unnamed insurance company we now know is State Farm. Do you know the answer to the Committee member's question regarding the percentage of the automobile insurance market they insure? The second question concerns the other unnamed insurance company that Committee members and witnesses keep referring to that we now know is GEICO. Do you know the answer to the Committee member's question as to the percentage of the automobile insurance market they insure? Third, since the State Farm auto policy does not allow the Right to Appraisal for repair procedure disputes, what do State Farm insured clients do if there is a dispute over the repair methodology? How do you advise the State Farm insurance clients who have a repair procedure dispute?

Thank you for your great questions; as for your first two, based on the Texas Department of Insurance's (TDI) "2020 Written Premium and Market Share Report," State Farm has a market share of 13.87 percent and GEICO has a market share of 13.25 percent. That makes these carriers two of the largest in Texas. Other large carriers include Progressive with a market share of 15.13 percent and Allstate with a market share of 11.03 percent. These percentage shares are across all controlled entities, as some carriers operate under numerous brands. Your third question is a troubling one we are often asked in our office. Sadly, there is little, if anything, a State Farm insured can do if they fall victim to a repair procedure dispute. They have only two options: pay the difference between the repair invoice and the State Farm repair estimate...or seek judicial relief. Our advice to them would be to choose one of these two options and perhaps consider changing carriers.

It is my professional opinion that the insurer should never be in control of the repair methodology. When this happens, there will invariably be shortcuts made to reduce their liability that will lead

to substandard repairs. These substandard repairs result in unsafe repairs, but the Right of Appraisal works as a guard rail to prevent substandard repairs. It is my unwavering position that the removal of the Right to Appraisal on repair procedure disputes will be the enemy of a safe repair and become the *stake in the coffin for safe roadways for us all*.

In today's world, regarding motor vehicle insurance policies, frequent changes in claim management and claim handling policies and non-standardized GAP Addendums, we have found it is always in the best interest of the insured or claimant to have their proposed insurance settlement reviewed by an expert before accepting. There is never an upfront fee for Auto Claim Specialists to review a motor vehicle claim or proposed settlement and give their professional opinion as to the fairness of the offer.

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



Robert is a recognized Public Insurance Adjuster and Certified Vehicle Value Expert specializing in motor vehicle-related insurance claim resolution. Robert can be reached at (800) 736-6816, (817) 756-5482 or via email at AskTheExpert@autoclaimspecialists.com.

Sincerely,
Robert L. McDorman
TXA