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READER RESPONSE TO MAY 2019 EDITORIAL

“WHAT HAPPENS TO A TOTAL LOSS VEHICLE WHEN IT LEAVES THE COLLISION REPAIR FACILITY?”

Dear Mr. McDorman:

What you covered in your May 2019 editorial is something that has been a concern of mine for years now. It is my belief that there are several consumers on our roadways who are driving vehicles they shouldn't, due to them being previously deemed total losses. I appreciate you spotlighting this matter in *Texas Automotive*. Any additional insights you could provide on this issue would be greatly appreciated.

Thank you for your response. It is good to know that industry members want to see an end to the promotion of vehicles that have been deemed a total

loss as anything other than a total loss or salvage vehicle. It is my position that should the carrier deem a vehicle a total loss, the vehicle title should be removed from the insured or claimant's name and placed in the name of the designating carrier, with the title status changed to a salvage title.

Under the current system in Texas, carriers are deeming vehicles as total losses for the sake of administering the claim loss – and from time to time using the Texas Transportation Code 501 to pick and choose when to transfer the title as a salvage title. This subjectivity allows for non-repairable vehicles to fall into the hands of some rebuilders to perform unsafe, non-OEM repair procedures. Upon completion of these unsafe repair procedures, total



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.

Ask the Expert

loss vehicles are being marketed and sold as clean title vehicles with no titling history when they were in fact previously deemed total losses by a carrier.

A study we performed on our own portfolio showed glaring issues in the liquidation and disposal of total loss vehicles in Texas. As we noted last month, we randomly selected 200 total loss claims we handled this past year and researched the title history for each. Our findings showed 118 (or 59 percent) were titled with salvage titles, 60 (or 30 percent) were still in the claimant's name (blue title) and 22 (or 11 percent) had been subsequently transferred to another individual with a clean or blue title. I found it alarming that over 40 percent of the 200 total loss claims we randomly picked and researched either had been since sold and titled with a clean or blue title or still had an open (untransferred) blue title.

As expert leaders in the industry in respect to safe and proper repairs, we have a fiduciary responsibility to identify any pitfalls in the system that allow a motor vehicle to be deemed a total loss and subsequently allowed to be marketed and sold as a non-salvage titled vehicle. Subjectivity in the current system allows these shortfalls, which result in citizens unwittingly purchasing motor vehicles that have been deemed a total loss by the responsible carrier and later purchased by less-than-desirable rebuilders to perform unsafe, non-OEM repair procedures.

In closing, it is again my professional opinion that if a vehicle is deemed a total loss by the carrier, the next step of the claim closure

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and titling process should be transferring the title to the carrier as a salvage title so that any such subsequent sale or transfers would reflect this status. This process would curtail the purchasing, marketing and selling of total loss vehicles that have been unsafely rebuilt and made available to the public with clean or blue titles.

Please call me should you have any questions relating to a motor vehicle insurance claim. I thank you for your letter and look forward to any follow-up questions that may arise.

Sincerely,
Robert L. McDorman TXA



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