

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

TEXAS

AUTOMOTIVE™



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Texas Auto Body Trade Show

Highlights

BIG SHOTS and more!

Update on
SCRS' BLEND STUDY

“Do You See This Type of
UNLAWFUL CLAIMS HANDLING PRACTICES
Often?”

“DO YOU SEE THIS TYPE OF UNLAWFUL CLAIMS HANDLING PRACTICES OFTEN?”

Dear Mr. McDorman,

I read your response in last month’s *Texas Automotive* to the reader’s question about “Consumer Rights and the \$248,000 Way to Relief When Cheated by Your Insurance Company.” Was it Mr. Collins’ situation that ultimately led to your reported jury finding or an isolated situation? Do you see this type of unlawful claim handling practice often from the insurance carriers?

Thank you for your question. We routinely see this same bad behavior as in Mr. Collins’ situation from many insurance carriers. The insurance code and contract violations we see are rampant with little to no oversight. Earlier this month, yet another insurance carrier agreed to settle with my clients for \$50,000 after they sought legal intervention to resolve their insurance code violations, contract violations and under-indemnification issues. In the past several years, we have had more than 100 of our clients, who were harmed by their insurance carriers, also go to the judicial system for relief. Most had their insurance carrier settle with them prior to trial but for similar amounts. Additionally, over the next several months, we will have many more clients, whom we have referred to lawyers to pursue their damages, seeking judicial intervention for their losses. Our clients’ path to relief is well-documented, crystal clear and defined, such as Mr. Collins’ was.

We are working vigorously with lawmakers to pass legislation requiring every personal auto policy in Texas to include a structured Appraisal Clause. The Right to Appraisal is the guardrail for indemnification of the loss when a dispute over the loss arises between the insurer and the insured. Without legislation in place requiring mandatory time-sensitive appraisal rights, we can expect to see continued efforts by all insurers to limit or remove economic relief for the insured. In this respect, they can be seen as beavers to running water. Once they see the insured getting some economic relief for their loss, they quickly act to dam up the source of the relief!

Over the years, as stark consumer advocates, Auto Claim Specialists has gone to agencies to seek help and relief with well-documented facts for our clients who have been harmed by their insurance carrier in an effort to bring awareness to these systematic atrocities. At each turn, we were told the only help is to seek legislation or a finder of fact. Now, our advice to our clients who have been harmed and cheated by their insurance carriers is to fight like the third monkey in line to get onto Noah’s Ark when it has already begun to rain, and we will help. We will continue by referring clients needing help to legal teams who can help them be made whole for

their loss. In my professional opinion, the more times these systematic under-indemnification schemes are exposed and the more monetary punishment is levied, the quicker change will come about to help us all.

The under-indemnification in total loss and repair procedure claims in Texas is rampant. Besides the higher settlements for total loss clients averaging 28 percent above the carrier’s undisputed loss statement, we have also reduced clients’ out-of-pocket expenses on repair procedure disputes such as in the example provided above. These under-indemnification percentages are staggering and harmful to Texas citizens.

The spirit of the Appraisal Clause is to resolve loss disputes fairly and to do so in a timely and cost-effective manner. Invoking the Appraisal Clause removes inexperienced and biased carrier appraisers and claims handlers from the process, undermining their management’s many tricks to undervalue the loss settlement and under-indemnify the insured. Through the Appraisal Clause, loss disputes can be resolved relatively quickly, economically, equitably and amicably by unbiased, experienced and independent third-party appraisers as opposed to more costly and time-consuming methods such as mediation, arbitration and litigation.

In today’s world regarding motor vehicle insurance policies, frequent changes in claim management, 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 question and look forward to any follow-up questions that may arise.

Sincerely,
Robert L. McDorman
TXA



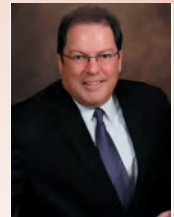
Robert is a recognized Public Insurance Adjuster and Certified Vehicle Value Expert specializing in motor vehicle-related insurance claim resolution. Robert can be reached by phone at (800) 736-6816, (817) 756-5482 or via email at AskTheExpert@autoclaimspecialists.com.



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