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WHAT IS THE NEXT STEP TOWARD MANDATORY RIGHT TO APPRAISAL?

Dear Mr. McDorman,

I attended the legislative panel you were on during ABAT's recent Texas Auto Body Trade Show. During this panel discussion, you mentioned your professional opinion that the next step in the Mandatory Right to Appraisal fight should be the filing of an administrative action. Can you provide me and the readers with your thought process on this?

Thank you for your question. Yes, I do believe an administrative action should be filed with the Texas Department of Insurance (TDI) to stay any modifications to the Right to Appraisal in motor vehicle insurance policies by the insurance carriers until the next legislative session is complete. As we heard from TDI during this last legislative session, several carriers have made policy change applications with the TDI to limit or modify the existing Right to Appraisal clauses in their policy of insurance. Yes, TDI testified that none of these applications have yet been approved; however, it appears inevitable this type of request to limit or modify the Appraisal Clause will continue to be submitted. The filing of the administrative action and the granting of such relief would prevent or nullify requested changes to the policy Right to Appraisal until the next legislative session is complete. Now is the time for our voice to be heard and stand up for this critical loss relief.

I know I am repeating myself on this, but I cannot stress enough how important this Right to Appraisal issue is for us all. 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 and 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. Our advice now 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 referring clients to legal teams who can help them to be made whole for their loss.

In my professional opinion, the more times these systematic under-indemnification schemes are exposed, and 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 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 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 question and look forward to any follow-up questions that may arise.

Sincerely,
Robert L. McDorman

TXA



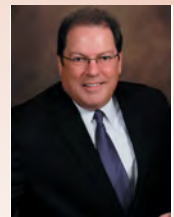
Robert is a recognized Public Insurance Adjuster and Certified Vehicle Value Expert specializing in motor vehicle-related insurance claim resolution. Robert can be reached by phone at (800) 736-6816, (817) 756-5482 or via email at AskTheExpert@autoclaimspecialists.com.



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