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AFFILIATE ASSOCIATION AWARD
Auto Body Association of Texas
(ABAT)

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Thank you for your leadership and
example to the industry.*

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JOE COLLINS: TRUE TEXAS HERO

Dear Mr. McDorman,

I own and operate a collision facility in Texas. A few months ago in several trade association publications, I read articles concerning the *Collins vs State Farm* jury verdict which awarded Mr. Collins \$277,000 in damages and penalties. What came of this? Did State Farm appeal the verdict, or did they pay up? What other fallouts could come from this verdict? I assume Mr. Collins was pleased with the outcome. Will he be coming to the Capitol this next legislative session to tell his story?

Thank you for your questions. State Farm did not appeal the verdict. Only Mr. Collins can answer some of your questions. It is my understanding that Mr. Collins was pleased with the jury finding and the message it sent. It is also my understanding Mr. Collins will be featured in the January 2024 edition of *Texas Automotive* concerning a special development that affects us all.

From the very first time Mr. Collins came to me for help with his sensitive situation, he was concerned that what happened to him could happen to others as well. I distinctly remember him saying to me, "You know Robert, I am not a wealthy man, but this small amount of money that State Farm cheated me out of will not break me; however, for many people in our community, it would be devastating. For this reason, will you help me move forward with my loss recovery? I want to make a difference and possibly make a change in the current claim handling process, so maybe one day, this will not happen to the single mom working two jobs living paycheck to paycheck." Of course, he didn't have to ask me twice. This was music to my ears. My immediate answer was "yes."

From day one, the message Mr. Collins gave the jury presiding over his loss was the same as he gave me. "I am not doing this for the money; I am doing it to help the individuals who either can't stand up for their rights or don't know how." The three-year journey Mr. Collins, his lawyer Mr. Phenix, many others and I traveled was well worth it. This verdict is now final and set in concrete as a precedent to help us all. In my eyes, Mr. Collins is a true defender of consumer rights and a hero. Until legislators step up and pass laws to make the Right to Appraisal mandatory in Texas, we will continue to see similar situations. It is my position any limiting or removal of the Right to Appraisal concerning a repair procedure dispute will be the

nail in the coffin for safe roadways for us all.

I know I am repeating myself on this, but I cannot stress enough how critical this mandatory 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 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.

Over the years, as stark consumer advocates, Auto Claim Specialists has gone to agencies armed with well-documented facts to seek help and relief for our clients who have been harmed by their insurance carriers and to bring awareness to these systematic atrocities. At each turn, we were told the only help was to seek legislation or a finder of fact. Until legislators pass laws to make the Right to Appraisal mandatory in Texas for all motor vehicle policies, we will continue referring clients to legal teams as necessary to help them 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. I thank Mr. Collins for being part of this change.

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 the above example. 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. The invoking of 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



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President's Message

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response to be even more irritating than the lack of a response because SCRS invited the IPs to participate in the study, but they declined the invite. OEMs participated. Paint companies participated. SCRS even enlisted the aid of a third-party auditor, DEKRA North America, to make sure the study was conducted in an unbiased manner. And in the past year, no one has come forward to demonstrate that it was conducted improperly in any way whatsoever. CCC and Audatex have acknowledged the need to make changes. But Mitchell disagrees?! I really don't get how anyone could disagree with the SCRS blend study. And Mitchell won't share their study, but they refuse to acknowledge the outdated times may not be accurate...despite the entire industry agreeing that 50 percent is completely unrealistic.

I think it was pretty obvious that Jerry and I were both extremely frustrated with the conversation as we pointed out that those labor times for blends haven't changed in the past 30 years, but look at how far technology has come since then. We spray micas, pearls and some other pretty difficult colors nowadays. What about putting down the wet bed or a clear binder?

One of the guys from Mitchell actually mentioned that some items may entail additional labor during the blending process, that there are other processes and procedures that require additional

time. So, I asked why they don't put that in their definition because we all know insurance companies see everything in black and white, so in their minds, blends are adjusted at 50 percent. But if Mitchell just adds a statement that additional time might be required based on specific paint systems or colors, that at least opens the door for a conversation between shops and insurers that might allow us to negotiate a bit better.

It seemed like a lightbulb went off above one guy's head. I don't know how much authority either of my new buddies actually have. I'm curious to see if Mitchell will actually make any changes or if the IP is going to continue doing a disservice to the collision repair industry by ignoring the complexities that have arisen in the refinish and blending process over the past decades. One thing is certain: I'll be following up with my Mitchell pals to find out what's going on, and you can be sure I'll update *Texas Automotive* readers with anything I learn. And I encourage y'all to reach out to Mitchell too.



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Ask The Expert

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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

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ABAT News

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want to hire someone in their late 20s who is "pretty good with computers and can read, comprehend and execute."

Shops should also consider the software and what it's going to do. "How is it going to interface with your system, and will you be able to calibrate pretty much everything on that market that comes through your door?" Machiros asked, sharing his belief that "Autel's software is awesome."

In addition to walking away with tons of valuable (literally!) information, webinar attendees had a chance to win an IA800 LDW30T ADAS Package from Autel. On November 1, ABAT Executive Jill Tuggle and Zenteno did a drawing via Facebook Live from Autel's booth at SEMA 2023. Out of nearly 80 entries, the winner was new ABAT member McCarley's Hail & Collision LLC (Pampa), allowing Tuggle to quip, "Their membership is already paying off!"

ABAT's final webinar of 2023 is scheduled for December 13 and features Rachel James (Torque Financial Group) and her presentation on "Financial Planning for the Whole Shop: Technician to Owner." Register at abat.us/2023/09/webinars.

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