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STILL PROGRESSING DOWN THE ROAD TOWARD MANDATORY RIGHT TO APPRAISAL IN TEXAS

Dear Mr. McDorman,

I own and operate a collision facility in East Texas. Like the reader in last month's editorial, I have also read through all of the reports you have referenced in your monthly editorials on the critical topic of Right to Appraisal in Texas (Texas Watch's "Impact Of Auto Appraisal" analysis, the Office of Public Insurance Counsel Report to the 88th Texas Legislature and the Texas Department of Insurance 2022 Biennial Report). I can confirm that the findings in these reports are also consistent with what we are seeing in our operation daily.

A large number of our clients are also having an additional amount due on top of their deductible to have their vehicle returned to its pre-loss condition; however, each of the clients who follow our advice to contact you seem to be made whole for their loss. Your impressive results have convinced me that you are spot-on when you always say that the Right to Appraisal is the guardrail for proper indemnification. Is there anything we can do as collision facility owners to help secure mandatory appraisal rights in Texas motor vehicle policies?

Thank you for your comments and question. The egregious behavior of carriers under-indemnifying motor vehicle claims is not just a Texas issue, as we see this in many other states we are licensed in. I spoke with several additional lawmakers just this past month to help educate them on this atrocity while seeking advice on how best to move forward with getting passed a bill to make the Right to Appraisal mandatory in each motor vehicle policy. As to what collision facility owners like yourself can do to help us secure mandatory appraisal rights in Texas, I would strongly recommend advising each client who has been under-indemnified on their loss to turn in a complaint to the Texas Department of Insurance. Based on what lawmakers have told me, this data will be critical in our push to secure mandatory appraisal rights in all Texas policies during the next legislative session.

It is my unwavering position that limiting or removing the Right to Appraisal in a motor vehicle policy will be the nail in the coffin for safe roadways for us all. As we move forward with this journey to secure the mandatory Right to Appraisal in motor vehicle policies, we will need to continue to educate all parties involved of the consequences of its removal. The more complex our motor vehicles become, the greater the need for the repair methodology to be determined through the Right to Appraisal by repair professionals when a dispute arises.

As I have noted in several past editorials and public speaking engagements over the years, as a stark consumer advocate, Auto Claim Specialists has gone to agencies with well-documented facts seeking to help 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 was to seek legislation or a finder of fact.

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 in almost every case that crosses our desk. 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.



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.

Sincerely,
Robert L. McDorman
TXA



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