

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

# TEXAS

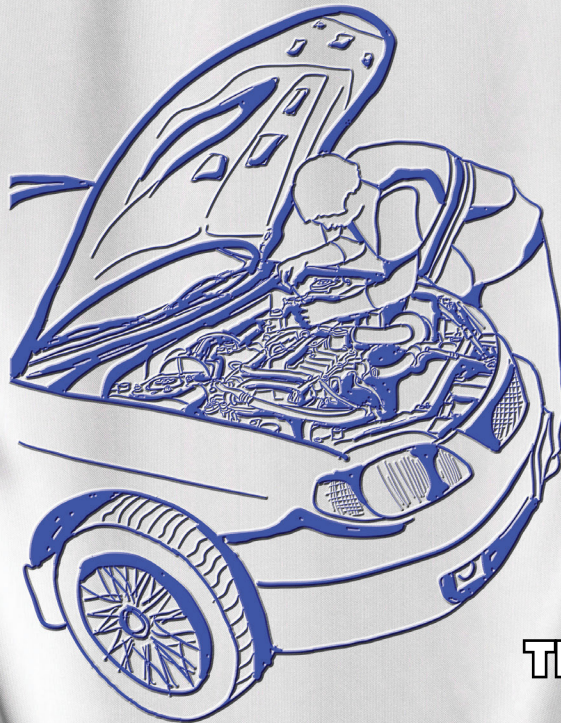
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## CULTIVATING A WINNING SHOP CULTURE



What's the Deal with  
**TDI'S APPRAISAL  
DATA CALL?**

ABAT's New Look, Old Business &  
**LEGISLATIVE REV-UP**

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# WHAT'S THE DEAL WITH THE TEXAS DEPARTMENT OF INSURANCE APPRAISAL DATA CALL?

Dear Mr. McDorman,

I own and operate a collision facility in East Texas. On the Texas Department of Insurance (TDI) website, I saw that TDI requested appraisal data for personal auto claims from the top 10 insurance carriers for the period of July 2020 through June 2023. As I read it, this Data Call will include the appraisal results during the requested period for repair procedure disputes and total loss claims. Did the TDI contact you for your data on these types of claims? Also, do you know when the results from this Data Call will be released? Can you share with the readers the appraisal results averages from repair procedures disputes and total loss claims for the clients represented by Auto Claim Specialists? Based upon the settlement increases that I have seen from the clients we have referred to Auto Claim Specialists, I am concerned about these numbers and the under-indemnification in auto insurance claim settlements in general.

Thank you for your questions. Yes, this is correct. TDI requested that the top 10 insurance carriers in Texas submit their appraisal data for the three year period of July 2020 through June 2023. TDI requested these carriers to return their results to TDI by July 12, 2024. I understand that TDI will release the results from this Data Call sometime in October of this year. I commend TDI for stepping forward and requesting this data. With my own two ears, I have heard lawmakers requesting this data from carriers over the last two legislative sessions, but they were simply ignored. Like you, we are excited to be close to learning the results of this Data Call. As of this date, TDI has not asked for our data for that same period. However, I want to reassure you that we at Auto Claim Specialists are open and transparent and would be more than willing to supply our data covering the same period or for any period requested.

Here's what our data shows. From 2017 through June 2024, our average increase on total loss claims above the carrier final offer for zero to two-year old vehicles is \$4,387; for three to five-year old vehicles, it is \$3,908; for six to eight-years old, it is \$3,617; for nine to 11-years old \$3,555; for 12-14 years old \$3,483; and for vehicles over 14-years old, it is \$5,009. The average settlement increase for all years combined is \$3,965. On the repair procedure disputes we have handled for the insured for the same period, the average settlement increase – from the carrier final supplement to the signed agreement between the independent appraiser – is \$5,981.

Another important detail about the repair procedures we

handle is the amount of time it takes to resolve. The average time between the date of loss and when we file the Right of Appraisal for the insured is 100 days, with another 60 days on average passing from the time we file the Right of Appraisal until the carrier appoints an independent appraiser. Finally, it takes an alarming 103 days on average from when the carrier appoints their independent appraiser until a signed agreement is reached. This 263-day span on repair procedure disputes is concerning.

As we see from the data and time periods listed above, we – as insured citizens of Texas – need our lawmakers to pass the mandatory Right to Appraisal bill this upcoming session. Without the passing of this bill, this injustice will not only continue; it will likely grow even worse.

We at Auto Claim Specialists understand your concerns about under-indemnification. Until legislators pass laws to make the Right to Appraisal mandatory in Texas for all motor vehicle policies, we have no choice but to continue to advise our clients who have been harmed and cheated by their insurance carriers 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. In my professional opinion, the more times these systematic under-indemnification schemes are exposed and monetary punishment is levied, the quicker change will come to help us all.

Our position at Auto Claim Specialists is that the Right to Appraisal should be a mandatory contractual right in every policy. For the 89th Texas Legislative panel, we have teamed up with lobbyist Andrew "Drew" Graham to educate lawmakers and help secure mandatory contractual appraisal rights for all insured Texans. We, the insureds, are many, and I am confident that if we join forces and all do what we can, we can be successful in securing our rights and our children's rights to contest insurance



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](mailto:AskTheExpert@autoclaimspecialists.com).

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# Ask The Expert

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settlement offers that would result in underpayment of losses and/or shoddy and dangerous repairs.

As shown above, the under-indemnification in repair procedure claims in Texas is rampant. Most of the estimates and supplements for these repair claims had many overlooked (by design) safety and OEM-required operations needed to restore the loss vehicle to its pre-loss condition to the best of one's human ability. I believe limiting or removing the insured's right to appraise a repair procedure is a serious safety issue. The limiting or eliminating the Right to Appraisal by the insurance carrier in a repair procedure dispute will be the nail in the coffin for safe roadways in Texas.

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 remember that 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

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