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Seeking Ripples to Make a HUGE SPLASH

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Seeking Ripples to Make a HUGE SPLASH

With 2025 underway, businesses around the country are examining their budgets and determining which investments to undertake. To deal with ongoing challenges related to advancing technology, Texas collision repair shops likely plan to allocate funding to a number of important business needs, such as tooling, equipment, training, certifications, employee benefits and so forth.

But what about the challenges related to shops' continuous struggles with insurance companies – how can repairers budget for ways to address confrontations with appraisers who underindemnify claims or refuse to pay for the parts and procedures necessary to safely and properly repair customers' vehicles? By joining ABAT and getting involved with its legislative efforts calling for safe repairs and mandatory Right to Appraisal (RTA), initiatives which will be the association's focus as the 89th legislative session opens up on January 14!

"We are going to throw everything we have at passing some laws that address safe and proper repairs and the consumers'

Right to Appraisal in Texas," says ABAT Executive Director Jill Tuggle. "To make this happen, ABAT will need to increase its membership and legislative funds exponentially. We need **YOU!**"

And by "you," ABAT means ALL of you...shop owners, managers, repairers, technicians, estimators, painters, instructors, auto body students and everyone in between. In addition to launching its new website last month, the association began offering new membership levels to encourage participation from more industry professionals throughout the Lone Star State.

"Our offer of these new membership levels comes in response to hearing from repairers who see value in membership and want to be part of something bigger, even though the owners of the shops where they work have not yet joined the association," Tuggle explains. "We talk a lot about investing in our businesses, but individuals also need to invest in themselves, so we're providing new ways for Texas auto body professionals to do exactly that."

It's also important to recognize that there are many ways to

be an auto body professional, Tuggle points out, as she recalls recently attending a local tech school's advisory board luncheon where she met a young lady whose parents have coerced her into obtaining a four-year degree. "She plans to come back to work in a body shop after graduating with a political science degree, but I encouraged her to follow along with what we're doing legislatively because there's a crossover there between what she's studying and her ultimate career goals. I'm hoping she'll attend our Capitol Day event later this year. The conversation was a really cool reminder that there are many ways to be involved in this industry, and it's important that we highlight how many opportunities exist outside of the shops as well."

ABAT's new membership levels grant individuals access to the plethora of information the association provides through the information hub on its website, inclusion on its mailing lists and opportunities to attend training events. The cost of an individual membership begins at just \$25 per year; those interested can register at members.abat.us/application-to-join.

"Getting involved as a member also allows you to stay updated on the legislative efforts ABAT is undertaking to improve the industry for all Texas shops and repairers," Tuggle adds.

During this legislative session, the association will continue "beating the drum" for safe repairs as it has since 2017 (as discussed in last month's *Texas Automotive* cover story, available at grecpublishing.com/txa1224coverstory); however, while details related to that proposed legislation is still forthcoming, ABAT is putting its support behind mandatory RTA for the third time. Its first attempt at an appraisal rights bill in 2021 passed the House of Representatives with a vote of 91-50 and progressed to the Senate, but as the session wended down, it never made it out of committee. The 2023 iteration of the bill requiring the Appraisal Clause be included in all Texas automotive insurance policies passed the House of Representatives and was awaiting a final vote by the Senate when the session ended.

Senate Bill 369, pre-filed on November 14 by Senator Charles Schwertner (R-District 5), includes similar goals and language as the bills proposed in the last two legislative sessions. First and foremost, it would mandate that all personal automobile insurance policies written in Texas "contain an appraisal procedure that complies with this subchapter."

That procedure would permit the insured or insurer to demand an appraisal within 90 days from when "the insurer accepts liability and issues the insurer's undisputed liability offer," at which point, both parties would have 15 days to appoint an unbiased appraiser and share that appraiser's identity with the other party. Those appraisers would collaboratively determine the true amount of the loss, but if they fail to agree upon the amount of loss, they would select an umpire to determine the true cost of repairs. (The bill is available in its entirety at bit.ly/RTA-SB369.)

The need for this type of legislation became apparent in recent years. Although insurance policies have historically included the Appraisal Clause, the Texas Department of Insurance (TDI) permitted State Farm to eliminate the Appraisal

Clause from its Texas policies in 2015, and since then, several additional carriers have submitted policy change applications requesting approval from TDI to remove the RTA for repair procedure disputes from their policies.

"If insurers are permitted to remove the Appraisal Clause from their policies, it could have a ripple effect that will negatively impact the industry," Tuggle fears. "When we allow insurance companies to self-police and manipulate the system, their accountability wanes, and shops are put under even more pressure to cut corners."

But she's convinced that most shops want to do the right thing for their customers, so it's important to recognize that the "ripple effect" she mentions can work in both directions. "We need more shops, more repairers, more instructors to step up to the plate. A lot of times, people don't get involved because they're convinced that other people are handling these matters on their behalf, but that weight is heavy when it's distributed among a few people; it gets lighter when we spread it out among the masses. And there are a massive number of Texas shops. Working together, we *can* accomplish what we've set out to do!"

Getting legislation passed is hard work, requiring a team of experts – and that experience comes at a cost. ABAT is looking to raise \$82,000 for its share of the funds required and has asked for shops to become Political Champions to aid these efforts.

"We can raise the funds needed if 82 shops each donate \$1,000, but that's asking less than two percent of Texas shops

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ABAT TO ADD RIPPLES TO NATIONAL RTR SPLASH

While ABAT remains focused on its local initiatives for Texas legislation, the association still keeps an eye on national legislation that impacts Texas repairers, including federal efforts happening in Washington, DC. "ABAT takes an opposing stance to some of the initiatives that are posing as the 'Right to Repair,' such as the REPAIR Act," Tuggle says. "The concept sounds appealing, but at its core, this legislation is being used by aftermarket providers to convince lawmakers that body shops don't have access to the information and parts they need to properly repair cars. They are pushing to gain access to this information so they can create more aftermarket parts and positioning the fight as though it's for repair shops' benefit when it is not."

Several national organizations, including the Society of Collision Repair Specialists, have been at the forefront of the conversation in DC, addressing the actual challenges being faced in the field by collision repair professionals, and ABAT intends to lend its support to such initiatives that are championed by actual repairers who understand actual repairers' challenges. Stay tuned to *Texas Automotive* for more information as it becomes available.

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to do something for everyone's benefit. If we spread that out amongst the vast number of shops and repairers in our state, each contribution would become less burdensome. Our association is strong, but our membership is not as deep and wide as many believe, and a small minority of people actually step up to the plate; we need *everyone* to step up and help make a difference."

Several Political Champions share their reasons for stepping up.

"As a small town auto body repair shop, we are dealing with our community, so making sure they get safe and proper repairs is our highest priority," Ed and Crystal Griffin (Griffin's Paint & Body; Winnsboro) say. "We donated to ABAT in order to help ensure that our community members are treated fairly by their insurance companies and that donation is a sacrifice worth making. If we don't all take a stand and fight to be treated fairly, then we will have nothing but unsafe or diminished vehicles on Texas roads. We stand for the truth...what do you stand for? Make a donation and help your community stay safe!"

"More than 90 percent of our customers have to use the Appraisal Clause," acknowledges Steven Stringer (Reno Paint & Body; Paris). "Insurance companies like State Farm that do not offer RTA in their policies create a power imbalance between consumers and insurers. Customers may only have the option

to take legal action to resolve disputes, which is costly, time-consuming and burdensome. Supporting ABAT will help level the playing field by ensuring that all consumers have access to the same rights when it comes to auto repair appraisals."

"As shop owners, we need to do what's right for our customers and this industry," offers Brian Buson (Auto Tech Services; Mansfield). "We will never get this done without supporting this legislation. It's critical work that can make a world of improvement for all, including our customers and the profitability of businesses! Doing safe repairs with OEM parts and getting paid for the work required to be done! It's time to put your money and your efforts toward making a difference!"

Although Political Champions are encouraged to donate \$1,000, Tuggle recognizes that such a large contribution may not be possible for every shop. Raising the necessary funds could be achieved in a number of ways that would require less effort from each individual repairer or shop while still adding up to effect the impact desired. If just 10 percent of Texas shops contributed \$183, ABAT will have raised enough money; if 25 percent of shops make a \$73 donation, sufficient funds will be available. And shop owners can involve the entire team as well.

"Maybe your shop cannot afford to donate a large amount of money, but if you educate your technicians about what we're doing and how it affects them, they might be interested in contributing as well," Tuggle suggests. "If four technicians give \$25 each and you match it, that's a \$200 donation and helps us move the needle. This legislation doesn't just affect shop owners; it affects everyone in the shop, and it also impacts all Texas policyholders, so it's going to take all of us investing in our industry to make a difference."

Along those same lines, it's also important to spread awareness about what ABAT is doing. The association encourages members to educate their customers and their legislative representatives, but it's just as vital to educate industry peers. "Talk to the other shop owners, technicians and estimators you know about joining ABAT," Tuggle urges. "The more of us there are, the louder our voices become!"

ABAT President Burl Richards agrees, stressing "the importance of passing collision repair legislation that protects the consumers of Texas. We need our members more than ever right now."

And small efforts by many individuals add up to large results. As author Robin Dance says, "Some of us will make tiny ripples and others will send waves crashing, but each one will change the surface of the water forever." Participating in ABAT's efforts to mandate RTA is an easy way to collectively make a big splash on the Texas collision repair industry!

Stay current with ABAT's ongoing legislative initiatives and calls to action by continuing to read *Texas Automotive* each month as we provide updates on these efforts or by visiting abat.us/current-initiatives-legislation. **TXA**



Why Join WIN?

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