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Repair, Risks and Liability

A TRUE STORY FROM THE FIELD

Consumers Need Our Help!
Avoiding a Total Loss Disaster
A Year in Review

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CONSUMERS NEED OUR HELP!

Well, we're finally approaching the end of 2020. Although many of us might be tempted to just get the next few weeks over with and see if 2021 will deliver some much-needed good news, there are actually some great things to reflect on as we think about ABAT in 2020.

Before COVID-19, we hosted our first-ever virtual meeting for members across the state. It turns out we were ahead of the pack, as the need for industry gatherings of this nature quickly became a reality once various lockdowns and state mandates occurred. Despite the health crisis, ABAT was able to expand its membership by helping the new Bryan/College Station chapter get off the ground, and we hosted an incredibly successful Skeet Shoot in honor of our late Board member, Dean Griffin. We also made ABAT-branded facemasks available to our industry here in Texas. Thanks to our members, sponsors and Board of Directors for working so hard together to rise above our collective challenges. I know we'll be able to conquer anything that comes our way in the new year.

If all goes well, the next 12 months will be a productive and critical time for ABAT and our industry. Our most important item will be pushing

ahead with our legislative agenda. We will be refiling our previous bill in support of OEM repair procedures and other pro-consumer practices. We will update you with the new bill number as soon as it is available.

Additionally, we are considering either revising the bill to include a provision guaranteeing the Appraisal Clause in *all* insurance policies written in Texas or making this goal a standalone piece of legislation. Let me be clear: Consumers in our state should not be denied the right of appraisal. ABAT has proven that the Appraisal Clause saves consumers money, gives them an option away from having to pursue things legally and drastically reduces the amount of time it takes to resolve a dispute. Consumers deserve to have more rights during the repair process; insurers should not be allowed to dictate every facet of a claim. A system of checks and balances is desperately needed; otherwise, Texas consumers will continue to suffer. If



Burl Richards
ABAT President

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FROM TOTAL LOSS TO TOTAL FRUSTRATION: A CUSTOMER SHARES HER STORY

Getting into an automobile accident is stressful enough, but imagine being left on the hook for more than \$3,600 by your insurance company as a result.

As discussed in this month's Ask the Expert article by Robert L. McDorman (see page 18), this unreal scenario was faced by his client, AnneMarie Roth,* after her 2011 Toyota Camry was involved in a collision last September. A State Farm-insured driver since the 1960s, she had assumed that the company would make her whole again without much conflict. Unfortunately, that was not the case.

In addition to receiving a total loss settlement offer that was thousands less than her payoff amount, she says her vehicle was totaled by State Farm without any actual physical inspection being performed by an insurer representative.

"According to the phone conversations I had with [State Farm], no one from the company ever came and looked at my car. I was not happy with my insurance company. They were only going to pay [an amount] that wasn't near what the car was worth."

Roth says that State Farm also took issue with her decision to have the vehicle inspected by her shop of choice, Henderson Collision Center in Henderson.

"When they asked me who authorized [the shop] to look at it, I said,

'I did!' I wanted to know how much it would take to get it fixed and what was wrong."

To make matters worse, State Farm refused to pay for Henderson Collision Center's charges – totaling nearly \$1,000 – for inspection/tear down, storage and related operations. Facing a sudden financial hardship that she would not have been able to pay off at one time in addition to needing a new car, Roth put her foot down.

"I finally just said, 'Okay, now. This ain't right.'"

At the shop's recommendation, Roth reached out to McDorman's company, Auto Claim Specialists, for assistance. In early October, the issue was settled, and Roth walked away without having to pay a dime out of her pocket to cover the shop's charges and pay off her totaled Camry. She advises fellow customers to seek out Auto Claim Specialists if they even find themselves in a similar bind. In the meantime, she is unsure if she will continue her long relationship with State Farm.

While no consumer should ever have to find themselves in this kind of situation, Roth has powerful words of advice for those who do:

"Stand on your own two feet and don't let the insurance company bully you!"

**The consumer's name was changed at her request. TXA*

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President's Message

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we don't hold insurers accountable, the rampant under-indemnification of policyholders will become an even bigger problem than it already is. Texas consumers deserve better. We're repairing vehicles for them – not the bill payer. It's extremely important that we succeed in the next session, and we will be calling on our membership to do all they can to make this possible.

In the September 2020 issue of *Texas Automotive*, our executive director, Jill Tuggle, revealed ABAT's plan to send 1,000 consumer-signed letters in regard to issues with common insurer practices to the Texas Department of Insurance (TDI) and lawmakers. This project is well underway, and it is important for our members to let their customers know that they have a voice. More often than not, a consumer has no idea that their insurer refused to pay for a necessary procedure. Shops need to better communicate this reality to them and encourage them to let TDI and legislators know what's going on and how much under-indemnification has hurt them. A truly educated consumer is our best ally in changing things for the better.

One more thing: I'm currently dealing with a very interesting situation at my shop that shines a bright light on insurer interference – especially when it comes to steering and misinforming the consumer. It promises to be an intense ride, and I'll update our members and readers on it as soon as I can. Stay tuned.

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