

# DOWN BUT NEVER OUT: WHY THE APPRAISAL CLAUSE WILL ALWAYS MATTER

For years, ABAT has championed the Appraisal Clause as a means for Texas consumers to receive the full value of the vehicles when loss disputes arise with their auto insurers. Unfortunately, not all carriers in the Lone Star State provide this option, leaving some insureds without the financial protection they deserve.

Earlier this year, the association endorsed House Bill 2534, which aimed to mandate the Appraisal Clause across the board in all policies. Despite gaining tremendous attention and momentum, the legislation was not heard in the Senate during this legislative session. However, there is still much to celebrate when you consider just how far the bill went in a few short months.

“This was the first time this bill had been introduced into the Legislature,” ABAT Lobbyist Jacob Smith explains. “Typically, it takes three or four sessions to get something passed. For us to go as far as we did – through the House Committee on Insurance and out of the House with a major vote and over to the Senate – was a great step forward.”

The House’s positive vote for House Bill 2534 followed an incredibly favorable hearing and review by the Committee on Insurance. However, the bill had to fight for attention while surrounded by dozens upon dozens of highly polarizing pieces of legislation that not only required considerable time but represented the fractured and overburdened state of our country’s current political system.

“There are so many things going on in the Legislature right now that we cannot control as far as timing goes,” Smith says. “The process has slowed down, sped up and slowed down again. With the politics and other huge issues, there are only so many things you can control. Really, 70 to 80 percent of it is up to the members.”

Although the bill’s journey in this session has come to an end, Smith is confident that its goals have a future in the Texas Legislature and beyond.

“It is a fair bill for any party. The same right that the consumer has is the same right that the insurance company has. It’s just a fair and level playing field given to the consumer that they typically don’t have. Insurance is not a free market; it’s a mandate. We don’t get to negotiate what’s in those contracts; we get to choose from various levels we’re offered. Consumers don’t have many tools in their toolbox, and no one wants to go into litigation – especially over a few thousand dollars. But those few thousand could mean a part on the vehicle that impacts an

individual’s safety. That’s the main point of this bill; if we can ensure safety and a level playing field for the consumer, then we’ve done our jobs.”

It’s one thing for ABAT and House members to understand the importance of the Appraisal Clause, but it’s another thing for consumers to gain knowledge of this option. Thankfully, that is exactly what happened during this session. In addition to testifying before the Committee on Insurance, ABAT Board member Robert L. McDorman (Auto Claim Specialists) undertook an extensive text campaign to contact every customer in his database and encourage them to reach out to their legislators in support of House Bill 2534 via the “No More Games” online portal ([texaswatch.org/no-more-games](https://texaswatch.org/no-more-games)) created by the consumer-advocacy group Texas Watch. McDorman was aided in this effort by his daughters, Alla and Victoria, who are both licensed public adjusters with Auto Claim Specialists. The contacts resulted in massive feedback from customers who supported the Appraisal Clause and pledged to do what they could to convince their area representatives to support the bill. As of late May, more than 800 Texas citizens had filled out the “No More Games” form and contacted a local lawmaker. (In one very inspiring case, a past Auto Claim Specialists customer replied to McDorman’s text by informing him that he was pursuing his public insurance adjuster license to help others the way he had been helped.)

McDorman was honored to have the opportunity to appear before the Committee on Insurance in support of House Bill 2534 and back up his position with true data.

“Education is evolution. It was very important to me to look those Committee members in the eye and represent the insureds in Texas and their rights. The reception I got from them was real, understanding and compassionate.”

Despite the current fate of ABAT’s push for the Appraisal Clause, McDorman isn’t about to walk away in defeat.

“There’s absolutely no wind taken out of my sail. I’m proud of where we got to, and I’m proud of the reception we have from the Committee, the questions they asked and the respect they gave us. I’m very confident about the future. We just have to keep educating and doing the right thing.

“Columbus didn’t get to America on his first try,” he adds. “That means that when we get to where we’re going, we’ll celebrate just like he did.”

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their websites? Well, they all think their way is the best way. You have a better chance of finding world peace than you do getting three different cultures from five different OEMs to agree.

I read somewhere that it takes the average human being five to seven minutes to read a one-page technical document. Just to replace that quarter panel I mentioned earlier, I had 133 pages of OEM documents that I had to review and read. There was also the time it took me to find them. There are nuances to a repair; there are multiple pieces to this. Again, there's no 'easy' button. You just have to take the time and quit complaining about it.



*Mike Anderson is an Accredited Automotive Manager (AAM) and the former owner of Wagonwork Collision Centers, two highly acclaimed shops located in Alexandria, VA. He has served as a member of many industry organizations throughout his career, including the WMABA Board of Directors, the Mitchell*

*Advisory Board, the MOTOR Advisory Board, the ASE Test Review Committee, the National Auto Body Council, the Collision Industry Conference and the Society of Collision Repair Specialists. Additionally, he is a past Virginia SkillsUSA chairman, serves as a facilitator for Axalta Coating Systems' highly recognized Business Council 20 Groups in both the US and Canada and facilitates numerous courses for Axalta Coating Systems' Educational Series. He currently offers expert industry consulting via his latest venture, Collision Advice ([collisionadvice.com](http://collisionadvice.com)). **TXA***

Smith and McDorman are quick to express their appreciation to Ware Wendell, executive director of Texas Watch, for his diligent dedication in support of consumers.

"Ware has stood by us and all Texas motorists," McDorman says. "His input and hard work were a huge part of what we were able to accomplish."

"Texas Watch is a critical ally," Smith adds. "Having a consumer advocacy group working so closely with ABAT speaks volumes on how critical the Appraisal Clause truly is."

For now, there is the next legislative session to think about. Although two years seems like a long time away, Smith insists that ABAT's work for the next go-around has already begun – and members need to get involved today.

"If you truly believe in safety and helping folks, then you have to keep fighting. We've built a process around this country, and it's supposed to work. In order for that to happen, you have to go to your elected officials. That's what they've been elected for. The way to do your part is to form a relationship with your state representative. They have to know about your issues. If you don't tell them about them, then they'll never know." **TXA**



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