

Insurance Company Abuse - SCRS Members Identify Some Disturbing “Trends”

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The Society of Collision Repair Specialists (SCRS) has been monitoring the actions of a number of insurance companies and how their processes and procedures have affected collision repairers, and ultimately their customers. SCRS recently commissioned a survey of its membership, and during this survey process, a considerable amount of input was received from member and non-member repairers from all over the country. This information is the basis for the following position.

SCRS cannot accept any actions from any segment of the industry that exhibits blatant disregard for its members. SCRS members are made up exclusively of collision repair shops from across the United States. In scrs' opinion, blatant disregard includes, but is not limited to, the following:

- Deceptive referral practices of a malicious nature. Utilizing language and word tracks that cause the consumer to question the quality, services and integrity of any repairer that is not a part of an insurers' Direct Repair Program (DRP) or “referral” program.
- Disparaging Statements. It has been reported to SCRS that there are some insurance company employees making disparaging remarks to consumers in an effort to apparently “steer” them to one of their DRP, referral or concierge-type shops.
- Secondary steering tactics. It has also been reported that there are various field appraisers that often-times write a repair estimate that is as low as 50% of what the repair shop has written.
- Vague and ambiguous remarks about repair “delays.” It is reported that various insurance company employees have time and again insinuated, or worse yet, stated to a consumer that the repairs will take longer if they are NOT done at one of their DRP,

referral or concierge- type shops.

- Refusal to reimburse for proper repairs. Certain field appraisers have apparently developed their own terminology, as well as redefining, what a “proper” repair is.

- Misleading service offerings or insinuations in the name of consumer service. There are a number of insurance programs where the consumer is duped into utilizing the insurers DRP, referral or concierge-type program which leaves the consumer with little to no information as to where the vehicle will be repaired, what the amount of the repairs will be, the methodology of the repair, etc.

- Database manipulation and representing it as ‘market acceptable processes.’ The manipulation of the databases used in the various estimating guides is a practice that cannot be tolerated. At least one insurer has convinced one information provider to alter their system so the insurer can set the default to an arbitrary figure of 50% of the actual refinish time required for a proper repair.

- Intimidation techniques and threats to keep DRP operators from discussing the details of the various programs. It is reported that some insurers seemingly intimidate their participating shops from discussing the values and faults of the programs through the fear of retribution.

Repairers have stated that they fear losing work by discussing these unfair practices surrounding the questionable repair methods used by many of the inexperienced appraisers and adjusters handling these claims.

- Utilizing inexperienced claims staff to negotiate repair hours and methods based on a consumer’s loss. It is reported that there are insurers employing a significant number of inexperienced claims personnel. This causes serious delays and issues when trying to negotiate a fair claim settlement.

- Prey on the consumer’s lack of knowledge in their rights or repair expectations to gain leverage against the informed repairer. The vast majority of consumers do not have the skills or experience needed to make sound collision repair decisions without

guidance and input.

Unfortunately, it appears as though some insurers take this situation and use it in their favor. The end result is a consumer who is coerced into a situation that may not be in their best interest. In fact, if repairs are done in a substandard way, the consumer is often times at a loss on how to rectify the situation.

- Unnecessary delays for estimate completion and authorization. Some insurers are reported as having their adjuster or appraisers come out and inspect the vehicle and write an estimate. SCRS members also indicated that to completely fix the vehicle, they must write many supplemental increases because the original insurer's estimate was grossly incomplete.

- Refusal to negotiate in good faith. Some insurers have been noted to arbitrarily state that repair market conditions prohibit reimbursement for certain procedures, labor rates and other required work (without a proven valid survey performed in those market areas).

In conclusion, it is both a belief and concern of SCRS that there are some insurers (or their representatives) that have utilized word tracks and their size to influence or intimidate consumers into utilizing their programs or to follow their misleading direction.

It is unfortunate that seemingly these insurers have no consideration for ensuring their customers receive quality, cost effective repairs and instead convince unsuspecting consumers to accept what has been proven in many cases to be inferior repairs for what appears to be driven by price-only decisions.

In fact, there are a number of instances where insurers have purchased a "repaired" vehicle back from a consumer in order to minimize the issues that improper repairs (from their recommended shops) and the refusal to pay for needed operations has seemingly caused.

SCRS fully supports those repairers that have invested in the efforts of bringing to task perpetrators for their unacceptable tactics and gross disregard for proper repairs.

We fully support any repairer who stands up for what they believe has been an injustice to their business, such as what North State Custom from Bedford Hills, New York alleges in their lawsuit against Progressive Insurance Company.

In SCRS' opinion, it is totally unacceptable for any industry segment to utilize "bully" tactics in an effort for their own gain. Specifically, in scrs' opinion, it is the OBLIGATION of ALL insurance companies to make their insured's as well as their claimant's whole after such a loss. This means that they must fully compensate those directly involved to ensure a cost effective, high quality and timely repair be performed.

SCRS is extremely disappointed in the tactics of a select few and fully recognizes that there are a large number of insurers and repairers alike that work together each day to ensure the goals of high quality, timely and cost effective repairs are performed.

As has been offered a number of times, enough is enough! If you feel that any insurance company is employing any of the tactics outlined above, it is your responsibility to put a stop to it.

Do not accept this type of behavior! You should all support those that have taken on the challenges of fighting for what is right on your behalf.

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