

## **Consumer Information**

### **10 Things to Know BEFORE Having Your Car Repaired**

1. You have the right to go to the repair shop of your choice. Your insurance company cannot require you to go to a particular shop.
2. Your car is the second largest investment you're likely to make. Preserve its value and your safety by having it repaired professionally.
3. Never drive a car that could be unsafe because of damages.
4. Some insurance companies may want you to visit their drive-in claims center before you have your car repaired. You can do this or you can leave your car at one of our shops and ask that the insurance company inspect it there.
5. There is no law requiring you to obtain more than one estimate or appraisal.
6. Differences in repair estimates are common. A lower estimate may not include all necessary work. If you're not sure why one estimate is different from another you've received, please ask us.
7. Choose a repair facility that has the correct equipment to repair your vehicle along with certified technicians.
8. Ask the repair shop if they will be using genuine replacement parts (OEM - Original equipment parts).
9. Ask if the repair shop offers a repair warranty.
10. Always stay in control of your insurance claim. Never let an insurance company dictate how your car is being repaired.

### **Consumer Bill Of Rights**

This information was obtained from the Texas Department of Insurance's website. It was developed by this department to educate consumers about their rights when settling insurance claims. Read a few excerpted points below and remember, what we list below is only a portion of the Bill of Rights. The entire Bill of Rights can be found at the Texas Department of Insurance's website:

<http://www.tdi.state.tx.us>

### **What should you know when you file a claim...**

23. FAIR TREATMENT. You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly, call the Department of Insurance at 1-800-252-3439 (463-6515 in Austin) or download a complaint form from the TDI website at <http://www.tdi.state.tx.us>. You can complete a complaint form on-line via the Internet or fax it to TDI at 512/475-1771.

24. SETTLEMENT OFFER. You have the right to reject any settlement amount, including any unfair valuation, offered by the insurance company.

25. **EXPLANATION OF CLAIM DENIAL.** Your insurance company must tell you in writing why your claim or part of your claim was denied.

26. **TIMEFRAMES FOR CLAIM PROCESSING AND PAYMENT.** When you file a claim on your own policy, you have the right to have your claim processed and paid promptly. If the insurance company fails to meet required claims processing and payment deadlines, you have the right to collect 18% annual interest and attorney's fees in addition to your claim amount. Generally, within 15 calendar days, your insurance company must acknowledge receipt of your claim and request any additional information reasonably related to your claim. Within 15 business days after receipt of all requested information, the company must approve or deny your claim in writing. The law allows the insurance company to extend this deadline up to 45 days if it notifies you that more time is needed and tells you why. After notifying you that your claim is approved, your insurance company must pay the claim within 5 business days. If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, your insurance company may take 45 additional days to approve or deny your claim and 15 additional days to pay your claim.

27. **CHOICE OF REPAIR SHOP AND REPLACEMENT PARTS.** You have the right BRPA 2005 to choose the repair shop and replacement parts for your vehicle. An insurance company may not specify the brand, type, kind, age, vendor, supplier, or condition of parts or products used to repair your automobile. The insurance company must provide you notice of the above requirements as follows:

- claims submitted by telephone – written notice within 3 business days or immediate verbal notice, followed by written notice within 15 days
- claims submitted in person – immediate written notice at the time you present your vehicle to an insurer or an insurance adjuster or other person in connection with a claim for damage repair
- claims submitted in writing – written notice must be provided within 3 business days of the insurance company's receipt of the notice.

28. **DEDUCTIBLE RECOVERY.** If another person is liable for damage to your auto and you filed a claim and paid a deductible on your own policy, your insurance company must make a reasonable and diligent effort to recover the deductible from that person within twelve months from the date your claim is paid. If not, your company must:

- authorize you, at least 90 days prior to the expiration of the statute of limitations, to pursue your own collection efforts, or
- refund your deductible.

29. **NOTICE OF LIABILITY CLAIM SETTLEMENT.** Your insurance company must notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10th day after the date the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30th day after the date of the settlement.

30. **INFORMATION NOT REQUIRED FOR CLAIM PROCESSING.** You have the right to refuse to provide your insurance company with information that does not relate to your claim. In addition, you may

refuse to provide your federal income tax records unless your insurer gets a court order or your claim involves lost income or a fire loss.

### **What is a preferred list Direct Repair Program?**

DRP (Direct Repair Program) is an agreement between an insurer and a bodyshop that usually requires a bodyshop to adhere to certain guidelines set forth by an insurance company in exchange for referrals. Sometimes these guidelines are set in place solely to benefit the insurance company while other programs are designed to benefit all parties involved, including the vehicle owner. Some DRPs are “performance driven”. This means that the shops that are allowed to participate in the program are graded on key points such as quality of repairs, customer service, and speed of which the repairs are completed. Some DRP agreements require bodyshops to use certain parts during the repairs while others may require the bodyshop to repair vehicles at a discounted rate. Most all DRPs are marketed by an insurer as offering a lifetime warranty. This warranty is really honored by the repair shop not the insurance company. Insurance companies cleverly market these warranties as their own. The truth is most reputable repair shops offer these warranties weather they are in an agreement with an insurer or not. So, if you choose a repair shop that does not participate in your insurer's DRP that is OK. If a shop is not on a “preferred” list that does not mean that the shop is not a quality shop. Some shops will actually choose not to participate in an insurance program because it is not in their customer's best interest to do so. If a shop is on a “preferred” list that does not always mean that the shop is a quality repair shop. In some cases a non-reputable shop can receive referrals just by agreeing to the terms of the DRP. A shop also may choose to participate in a DRP solely to benefit their customer. When choosing your repair shop you should always consider your shops motive for participating or not participating in a DRP. Remember, your vehicle is one of your most valuable assets. It is important to know how it is being repaired. Always make sure that the shop you choose truly works for you.

Some insurance companies may try to deter you from using a shop you choose. They may say things like “they are not on our preferred list” or “that shop may charge more than what we pay.” This is usually an attempt to steer you away from one shop to another that the insurer may have an agreement with. This is usually because they want to control the repairs to your vehicle. Remember, you have a legal right to choose your repair shop and an insurer must pay a reasonable amount to have the repairs performed. Going to the cheapest repair shop may not always be best for you. There is no law that says you must have your repairs made by the cheapest bidder.

### **Differences in Collision Repair Parts**

*OEM (Original Equipment Manufacturer)* parts are collision replacement parts that are designed and produced by the same company that designed and manufactured your vehicle. These parts are usually designed and manufactured using specific metal alloys and special corrosion resistant coatings. They are also designed to fit your vehicle like the original part. These parts are also the same designs that have been proven in vehicle crash test. Many OEM parts (but not all) are stamped with the manufacturer's brand on them. These parts are usually more expensive than other parts therefore, many insurance

companies do not pay for them. There are some insurers that do pay for these parts however. It is very important that you know what parts are being used in the repair of your vehicle. If your insurance company does not pay for these parts you may want to ask the shop you choose to inform you of the price difference. You may want to pay the difference to insure a quality repair. Also, ask your repairer for a list of insurers who do pay for OEM parts. This information may be helpful when shopping for insurance. Remember all repairs are not the same and all insurance companies are not the same.

*LKQ (Like, Kind and Quality)* parts are usually considered used or salvage OEM parts. These parts may also be described as QRP or quality recycled parts. Insurance policies in Texas state that an insurer has the right to repair a vehicle using like, kind and quality replacement parts. If you want new OEM parts you should tell your repairer. You may have to pay the difference for new OEM parts if your insurance company does not pay for them.

*Aftermarket* parts are collision replacement parts that are made by someone other than the original manufacturer of your vehicle. These parts are usually cheaper than OEM parts and therefore many insurance companies will specify the use of these parts on their estimates. In fact, many insurance adjusters are required to specify a certain percentage of these parts when settling claims. In some cases the adjuster may actually be “graded” on the amount of aftermarket parts he or she specifies during a certain time period. An adjuster may specify these parts on his or her estimate even if he or she does not agree with the use of them. They must follow the guidelines set forth by the company in which they work for. These parts are not recommended by any automobile manufacturer nor are they recommended by the Southeast Texas Collision Repair Group.

*Reconditioned* parts are normally OEM parts that have been repaired and resold. These parts are usually chrome bumpers, plastic bumpers, and wheels. Some companies do not warranty these parts so you should ask about warranty before they are used in the repairs of your vehicle