

UTAH AUTO BODY WATCH DAWG



ADVERTISING MATERIAL

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Virtues of a road test

by Bruce A. Davis

Years ago when I ran a large 32 bay mechanical shop and body shop for Chrysler north of Boston I learned the virtue of driving repaired vehicles before they were released back to the customers. It was a union shop with all the technician *attitude* problems associated with just such an evil work environment. After 1½ years of taking customers cars for a spin, I had a collection of 27 screwdrivers, most of them Snapons, retrieved from the top and sides of radiator supports. One or two I had even been pulled out of radiator cores, after it had also eaten the fan blade.

When you take the time to drive the customer's car prior to delivery you have a chance to not only ex-

perience the tech grime left on the steering wheel before the customer does, but you can catch the .69 cent turn indicator bulb that's blown and the brake master cylinder that someone in your employ forgot to bleed. Test drives also provide really cheap protection from increased premiums for shop liability coverage.

As those of us who have been in the industry for years already know, it's the little details that can make or break a quality repair in the mind of the customer. Last week an area shop completed a beautiful \$15,000.00 repair on a new Nissan Altima owned by one of our client's. The client called our office after she arrived home, angry and complaining that her carpet had not been thoroughly vacuumed. This upset customer didn't understand

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STEERING IS STILL OUR NUMBER ONE PROBLEM

by Bob Isham, *New Image Paint & Body Shop, Inc., Tempe, Arizona*

"Steering" of repair work is not slowing down, rather it appears to be getting more brazen and increasing each day. Even the DRP shops complain when Allstate "steers" a job to Sterling (away from their shop). It is safe to say that this issue, along with receiving fair and adequate compensation, is the

main concern of the vast majority of independent shop owners.

The bad news is that it is only going to get worse and it becomes even more important that shops fight back. Shops in Arizona tried to stop Sterling, spent a lot of money and time, and ended up with a feeble and practically toothless piece of legislation. At least this was a concerted effort and maybe the groundwork has been laid to go back and seek a stronger law? Let's remember that the insur-

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ance industry is probably outspending shops by \$100 to \$1 when it comes to legislation.

What can an individual shop do to hinder the blatant acts of the insurer? The key word has to be EDUCATION. No I am not asking people to go back to school; rather we need to make a concerted effort to educate the consumers about their "freedom of choice". If we educate them BEFORE the insurer attempts to brainwash them we will have a chance of securing the repair work. If we are passive we will be doomed to extinction.

Some shops are using local radio advertising to carry the message. In Phoenix this is almost prohibitive in cost so we might want to look at other methods. If you are able to have a face to face meeting with the vehicle owner before the insurance company does its "steering trick" you can often explain they have "freedom of choice" and that the insurer might try and disparage your shop and steer you to a "contract" shop. Take the time to explain how most of the contracts work. Often they must discount labor rates, give them parts discounts and lower costs on the paint materials. It is not uncommon for them to require they install "imitation" (I prefer the work "counterfeit") parts or used parts. Some of the agreement ask the shop to overlook minor cosmetic blemishes on parts. The concept of a DRP can tie the hands of the shop so that they could be forced to take shortcuts. Simply put you need to convey to the vehicle owner that you are not under any mandate to kiss the insurance companies; butts, grant discounts, use junk parts, and shortchange the repair. Explain that you shop works for the customer, not the insurer.

If you are not a State Farm Service First Shop I assume you are aware that each customer is sent a letter which basically warns them about using someone other than a "Service First or Select Service" shop. The letter tells them they are "free to select repairers who do not have agreements with State Farm" but it goes on to say that these extra cost plus they may not be able to assist them as effectively as they could with Service First/Select Service shops. If you read between the lines they are, in my opinion,

saying you don't meet their criteria and are probably not the place they should have their vehicle fixed. You need to explain to the vehicle owner exactly what your qualifications are and overcome what I consider is an organized effort to keep business away from your doors.

While I consider the actions of State Farm and a lot of other insurers who "steer" to be clear violations of the 1963 Consent Decree I am not a Supreme Court Judge and can only offer my opinion. We have to fight the war with the tools that we have and they include some of the following:

- 1) Fix the vehicle so well that customers will come back and send their friends and relatives.
- 2) Educate the consumer on a face to face basis about your shop and how they have a choice and they can expect the insurer will try to divert them away from you and to a contract shop. This warning is a vital tool to help you hinder the insurance companies' effort to steer. You can also send a "Quarterly Newsletter" to your customers to keep your face in front of them and to enlighten them on their "rights".
- 3) Consider radio, TV, newspaper ads to promote your business and the customer's "freedom of choice."
- 4) Document every single instance of "steering" and build a case against the insurer who is bad-mouthing you. Quite a few shops have prevailed in lawsuits against insurance companies. A properly documented case can be a slam dunk victory. That victory could make you an instant millionaire.
- 5) Don't let the customer talk to the insurance company. You can handle all the details, including the taking of the vehicle to the "drive in" claims center.
- 6) Make sure you explain to the customer the importance of your shop "working for them" not the insurer. I use the phrase that a "man can not serve two masters" and it seems to have an impact on a lot of people.
- 7) Give them some written brochures about the

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Thank you

We wish to take a moment here to express gratitude for our many body shop friends who have referred their *injured and innocent* customers to Bryan Larson for legal help and assistance. Body shops are trusting us to help their injured customers, friends and families, and we are truly grateful for it. It's a sad reality that hurt auto accident victims often have as hard a time getting fairness from adjusters for legitimate bodily injury claims, the same way body shops do when it comes to receiving sufficient money for repair time, paint time and materials. Thank you for giving us a chance to earn your confidence by continuing to refer your *injured* and valued customers our way.

We also would like to wish all of you a happy and safe holiday season. This year, treat your employees and their families well and remember that business is only a means to an end. Please take time to enjoy this season with the ones you love and do your best to allow your employees the same. *The end.*



Steering Problems

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laws. You can get them from the A.C.C.A. (if you are a member), of ASA. Bob Richards "Collision Services" also sells some nice little pamphlets, which explain your rights and choice of a rental car.

8) When you inspect the car in the presence of the vehicle owner spend a GREAT DEAL OF TIME DOING THE INSPECTION. The insurance company will spend a minute or less and you need to crawl under and around as much as possible. This

demonstrates your interest in securing a good repair and it also helps you document every aspect of the damage.

9) Warn the customer about the age-old practice of "low balling". Explain how this is clearly illegal but it is the intention of some insurance companies to try and write a very low estimate. Let them know you will be shocked if they write a legitimate estimate. When certain insurance companies are involved we warn then the insurance estimate will usually be 50% of your estimate. By doing this you are able to correctly predict what the insurance companies agenda is. They will tell the customer that shop is "expensive" and they will get a better repair at "Bondo Billy" (a contract shop). Tell the customer to stick to his guns and demand the freedom to choose a shop not tied to anyone.

10) Follow up and document the customers you don't get. Remember that an insurance company can not legally interfere with your right to engage in a repair contract. Talk to the customer or better yet have someone take a deposition regarding how they were steered away from your business. Offer to re-inspect the repair that was done by others. Keep a file on each insurance company, dates, names, vehicles, etc. One shop owner in Illinois had documented his case so well the insurer never went to court or even attempted to fight the case. They wrote a big check and compensated the shop owner for all the "steering" they did over the years. Paybacks are a bitch.

Shops need to consider "steering" as a form of war. You must take have a "take no prisoners" attitude and fight to retain your customer base. Don't be afraid to confront insurance people by having your attorney send a warning letter which advises them "you are aware of their actions, consider it steering and will be forced to resort to legal action to end any effort to keep business away from your doors".

It is, in my opinion, imperative that shops take a very proactive stance to combat those people that are keeping business away from your shop. If you don't you might want to be looking at another way to make a living since you might not surviving in today's collision industry. *The end.*

Road Test*Continued from pg. 1*

all that went into the tie down and pull of her crumpled wheelhouse, or that it was expertly spliced forward of the strut tower restoring perfect front end geometry. Instead, she demanded to know why her burgundy carpet had a bondo dust footprint on it. Indeed, it often boils down to the little details. Test drives can save a life, avert injury, cut needless repair costs or secure a customer's loyalty when so many others are trying to steer and lure your customers away.

Some years back I took my 4Runner Limited to a tire center for an advertised front brake job. A half a day later they called me to say the brake work was done. When I asked if they had road tested my SUV, they reacted as if I had asked for a courtesy engine overhaul. When I arrived I paid the bill, they handed me my keys and pointed to my vehicle in the parking lot. I jumped into the cockpit and headed down the hill in Draper, however, when I hit the brakes all hell broke loose. After much loud clatter and a brake pedal that quickly faded to the floor, only my quick action with the emergency brake saved my bacon. Fuming I limped the Toyota back to the shop. Seems that the tech had forgotten to reinstall the disc brake caliper anchor pins! When I actuated the brakes, the pads grabbed the rotors and promptly yanked both unanchored calipers out of their slots snapping both fluid flex lines in the process. The shop fixed the problem and I got my ride back a day late with a barrage of apologies and begging aimed my way. I agreed to give them another chance.

Weeks later my son's VW Cabriolet needed front brakes and the left front FWD carrier bearing needed to be replaced. I went back to the same shop and gave them the second chance I'd promised. Nobody's perfect, right? One week later my son called me from his cell phone complaining of noise in the left front and serious handling/steering problems.

When the VW dealer lifted the car, released of vehicle weight, the left front wheel assembly fell off. Seems that the axle nut had not been tightened with sufficient torque, the bearing had never been preloaded and the loosely installed bearing simply exploded in the steering knuckle. With the inner and outer bearing races parting company, the wobbling wheel assembly was ready to fall off at the next set of railroad tracks. The franchise tire center paid VW bigger bucks to make it right and along with fresh apologies, they of-

fered me a deal on snow tires that was hard to refuse.

Weeks later on the way back from having the "peace offering" snow tires mounted my wife experienced front-end vibration and a steering wheel shimmy that wasn't there an hour before. My immediate inspection of her car revealed no balancing weights on any of the four wheels, inboard or outboard, and the sound of two tires losing air. New valve stems not fully seated in the wheel, was the cause. Muttering under my breath, back to the tire shop I went. This time I went right into the shop area and bypassed the front counter. It took but a moment to ascertain which of the goober tire busters worked on my wife's car. When confronted with the weightless condition of the wheels, the pepperoni complexioned young tech responded in front of me and his shop foreman, *"I saw that the customer was a woman and I figured she wouldn't know the difference if I didn't balance the tires."* I no longer patronize that dangerous tire shop and warn all of my neighbors to stay away from it.

Many times a shop policy to road test will ferret out a tech with skill issues, a bad attitude or hidden agenda. Do all your techs have the same good business philosophy you have? Too many shops by default allow their customers to be the front line of their quality control. When you don't road test you fail to head off problems before the customer experiences them, where it often then becomes a bigger and/or more expensive problem.

A good road-test starts with checking all fluid levels. Your test cruise should get the vehicle up to operating temperature with upshifts and downshifts through all the gears. City and freeway speeds and maneuvering should be experienced; one freeway exit round trip is generally enough. Actuate all dash switches on your brief jaunt. Use your eyes, ears and nose to check for leaks above and below when you return to the shop. Believe you me, it's time well spent.

The smart shops have learned the benefits and overall cost effectiveness of a simple pre-delivery road-test. Start road testing the repaired car before the customer gets it and you'll be surprised at what all you may learn, probably salvage some customer loyalty in the process, not to mention adding to your screwdriver collection.

The end.

Research Sheds Light on the Truth About Lawsuits and the Medical Profession

By Bryan A. Larson

A recent *USA Today* article by Carl T. Bogus shed some interesting light on the truth about the way the civil justice system affects the cost of health care in our country. We have all heard the recent furor of skyrocketing malpractice premiums driving physicians out of business. Naturally, the thought of a shortage of doctors to treat those with injuries and illnesses makes us a little uncomfortable. We have been told by insurers that the cause of these sky-high premiums is unjustified lawsuits by people trying to make a buck from their doctor.

As we all know, there are problems in the health care industry. But Carl Bogus shows that cause of these problems is not what we have been told it is.

The article points to research by the National Association of Insurance Commissioners to show that, from 1995 to 2000, new medical malpractice claims declined by about 4%.

We also see that jurors are not “overly sympathetic to patients with unfortunate medical outcomes regardless of whether anyone is to blame.” Research by Valerie Hans and William Lofquist shows that more than 80% of people beginning jury duty say they believe there are too many frivolous lawsuits. According to the researchers, only a third believe that most plaintiff’s have legitimate grievances.

From a study done by the National Center for State Courts, we learn how difficult it is for plaintiffs to win. The rate of victory for a plaintiff in a medical malpractice case is 30%. That is lower than any other category of litigation. Strong evidence is needed to be victorious in such a case.

Even in such cases where plaintiffs are victorious, studies have shown that large “out of control” and “runaway” verdicts we hear so much about are not an accurate picture of reality. According to a study in the *Annals of Internal Medicine*, when a plaintiff is successful, 15% of verdicts are above \$1 million, but of that percentage, 75% or more are decreased by the judge or appellate courts.

Bogus points out what likely is a key factor in the crisis: the downturn of the stock market, that only recently

has been reversed. This down turn significantly reduced insurance company reserves and investment income. He uses the example of when one of the largest malpractice insurers, The St. Paul Companies, caused havoc in four states by halting the writing of malpractice policies. This problem was the result of major investment losses, including at least \$70 million in Enron.

The dark reality of medical malpractice still looms large. According to the Institute of Medicine, 44,000 to 98,000 hospital patients die every year from preventable medical errors. It is natural that some physicians will make mistakes, no one is perfect. However, the disciplinary system is lax and few doctors who have multiple malpractice claims against them are ever disciplined. According to Public Citizen and reports filed by the National Practitioner Data Bank, about 5% of physicians account for the majority of all medical malpractice claims. Also, only 13.3% of doctors who have paid five or more malpractice claims have been subject to professional discipline. Little is done to motivate change in malpracticing physicians.

We all know there are problems with our health care system. If we want to solve these problems, we must know the source of the problems. The real problem with medical malpractice is the malpractice committed by physicians! Juries don’t buy into frivolous claims. Whenever you read of a jury awarding money damages, its because they were convinced, after all the evidence, that a wrong needed some justice.

The end.





Bondo Bob

Farmers claims service called 1-800 Help Point started with thirty employees in 2001. Located in centers in Kansas City and Oklahoma City they now employ more than 1400 souls. The facility is run 24/7 and is responsible for taking the initial claims report and assigning it to local offices all over the USA. The bad news is that a good number of the staff thinks it is okay to "steer" work to their COD shops, and away from qualified repair shops that the customer chooses. I had occasion to confront a gal about this and she was adamant that she could steer work any time she wanted, even after the customer requested a specific shop and signed as an authorization to begin repairs.

CAPA has recently decertified the CAPA approved Keystone Platinum hood for a 1997 Nissan Maxima. So much for Keystone's Platinum's Certification, which, in my opinion, is a gimmick to sell parts.

A big stink is being made by the insurance folks over the different heights of bumpers on SUV's vs. cars. Some recent TV shows depicted the expense of these crashes. Insurance people want all cars the same height, but they forget a couple of important facts. In a rear end accident the bullet vehicle is nose diving because 99% of the time, it applies its brakes. If the lead car is braking, its nose is dropping and rear is rising. Most height studies put two cars on level ground and never apply brakes. If the insurance industry had their way, we would all be driving Sherman Tanks with a \$5,000 deductible and super expensive premiums. Claims would be almost impossible to make and when they had to pay, they would still control every aspect of the repair with off shore parts.

The end.

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