



# Action Counts

with Lee Amaradio Jr.

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## Do Insurers Really Want to Know How Collision Repair is Done?

### You Want How Much?

Do insurers really want to be educated in the proper repair techniques of collision repair, or do they just want it cheaper?

I know that there are many out there that think body work is body work, and as long as you keep the consumer happy you have completed a successful repair. I have made the mistake of thinking that most shops and insurers want to repair the cars the correct way.

This is just not true; many shops still look the other way as do many insurance companies. What the policy holder deserves has become secondary to making a profit.

### Why is it so hard to repair vehicles correctly and turn a profit?

The reason is because we have a third party paying the bills and collision repair standards are all over the charts. When we get busy we are arrogant and demand that the insurers pay to repair the vehicles correctly because we have such high standards then as soon as we get slow we agree to almost anything to make a buck.

I understand that the economy is bad but it still will not justify what some shops are doing today to survive. We have made some great strides forward within our industry and we have finally started to gain the respect we deserve and now I'm watching some shops take giant steps backwards. I've had an insurer that was paying us \$48 per hour for body labor for all of 2008 and now in 2009 they are trying to get away with paying us only \$45 per hour. This is because some shops think that to lower their price is the answer in this weak economy, once again I will say:

**we are our own worst enemy.** How can we afford to lower a labor rate that is already too low to begin with? This will only put you out of business quicker and bring our industry back ten years.

I took my dog to the vet last week and for the office visit and some blood work the bill came to \$450, I was shocked because I recently took my wife to a neurosurgeon and the bill was only \$260 (after the insurance company made their adjustment). I paid the vet at the time of service but the neurosurgeon had to wait for his payment from the insurance provider. I was only responsible for my 20% co-pay. This is what happens when a third party pays the bills and this third party is left basically unchecked.

I know malpractice insurance is more expensive for humans than for dogs. I see the insurance companies' double dip by regulating what the poor doctors can charge but on the other hand their malpractice insurance is going through the roof. Many doctors have been forced from private practice because of the escalated cost of their insurance.

Medical care is at an all time low and no matter how much money you're willing to spend on a policy there is no good medical coverage available, all medical coverage's have been downgraded compared to ten years ago.

My wife has been trying to get a neck surgery for over eight months now. We have been jumping through hoops because the insurers want to rule out every other possible procedure before they allow her to have the surgery. Why? To save them money (because when a third party is paying the bills everything changes).

As time goes on doctors are making less money every year, but is it the insurers fault or is it the doctors that agreed to work for less and less, and by doing so forced all of the other doctors to lower their rates just to survive? Now the entire industry is in the survival mode and a neurosurgeon is making less than the vet.

So do insurers really want us to repair the vehicles the right way? *Yes, absolutely, they just don't want to pay for it.* Why should they if they don't have to?

So for us to expect the insurance companies to pay for the OEM procedures to repair today's vehicles is difficult because we are not sticking together by repairing these vehicles the same way. Once the insurer sees that they will be paying for the same OEM procedure anywhere the vehicle lands, we will all get paid to repair vehicles the right way. This sounds impossible and maybe it is, but the alternative if we don't is quite grim.

This is what happened to the doctors, and the insurers have completely overrun the entire medical industry. Please pay attention to what I am saying; the collision industry is not far behind. Doctors didn't

stick together and now it's too late and the insurance companies completely control them, they even dictate the type of treatment we get.

If they can do this to your body what makes you think it would be any different for someone's vehicle? If you think things will get better by doing nothing you're mistaken.

What ever happened to good will? Something has been lost with the bean counters, Where is customer care? If the only thing you think about is cutting cost something has to give. I have recently watched several insurers change course and start concentrating on customer service once again and I am happy they are finally realizing that getting customers in the front door is only half the job, keeping them as future customers is the other half.

The reason my vet makes more money than my wife's neurosurgeon has nothing to do with running leaner or being a smarter businessman; No the reason is that the medical industry didn't stick together and now they are completely dominated by the third party that pays the bills.

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