

Insurer-Repairer Relations

Everything You Ever Wanted to Know About Insurers and Repairers

The no. 1 reason shops said they lose business due to steering centers around insurers influencing customers. The following are actual reasons listed by respondents:

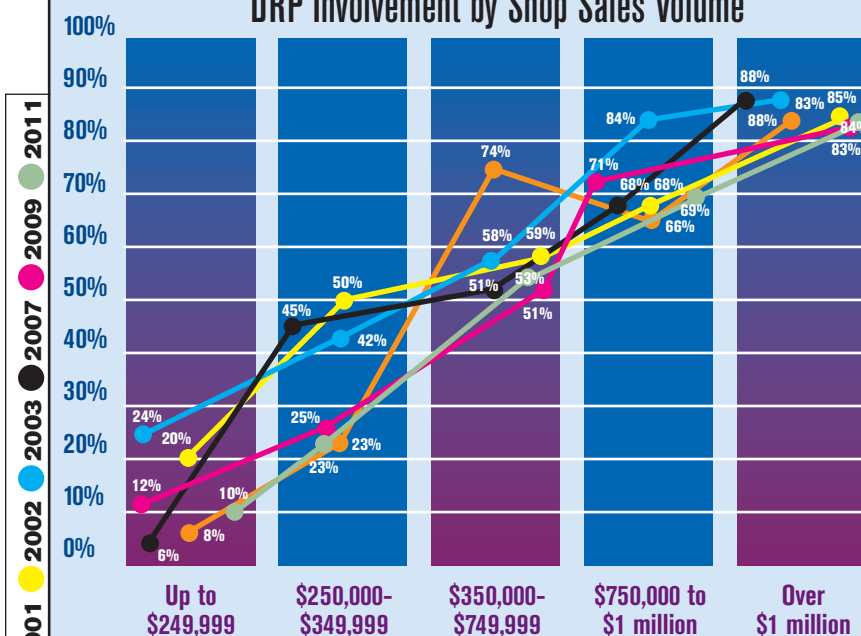
1. "Customers fear not going where their insurer tells them."
2. "Customers complain that insurers try to coerce them into choosing a DRP shop."
3. "Customers are unaware of their right to choose the repair facility of their choice."
4. "The insurers say we charge too much."
5. "Lack of customer education."

How Shops Rate Insurers

1 = Very Poor, 5 = Very Good

	Allstate	AIG	American Family	Farmers	GEICO	Liberty Mutual	Nationwide	Progressive	State Farm	USAA
Insurer's level of concern for consumer's best interest	2.6	2.6	2.9	2.7	2.6	3.0	2.7	2.6	3.8	3.5
Knowledge/expertise of field adjusters	3.2	2.5	3.0	3.1	2.8	3.0	3.1	2.6	4.0	3.5
Accuracy of insurer-prepared estimates	2.4	2.4	2.8	2.8	2.5	2.8	2.7	2.5	3.7	3.3
Quality of repair resulting from insurer's repair policies	2.9	2.6	2.9	2.9	2.7	3.0	2.7	2.7	3.9	3.5
Consistency of insurer's policies on repair procedures	2.9	2.5	2.9	3.0	2.8	3.0	2.9	2.7	3.7	3.5
Efficiency of claims handling process	2.7	2.4	2.9	2.7	2.7	2.8	2.9	3.0	3.9	3.4
Fairness of reimbursement policies	2.7	2.4	2.8	2.7	2.6	2.8	2.7	2.8	3.8	3.4
Responsiveness of company personnel to shop's concerns	2.6	2.4	2.6	2.7	2.7	2.8	2.8	2.8	3.7	3.4
Honesty of company personnel	3.2	2.9	3.1	3.2	3.1	3.2	3.3	3.2	3.9	3.8
Total score out of a possible 45:	25.2	22.7	25.9	25.5	24.5	26.4	25.8	24.9	33.4	31.3

DRP Involvement by Shop Sales Volume



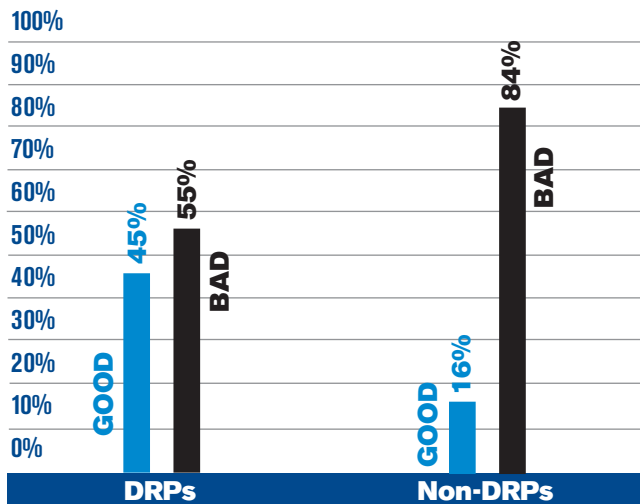
About 58% of respondents are involved in a direct-repair program, up significantly from 2009's 44%. The higher the shop's annual gross sales, the more likely it is to be on a DRP. On average, DRPs make up about 50% of a DRP shop's business volume.

Refusal to Pay: the Worst Offenders

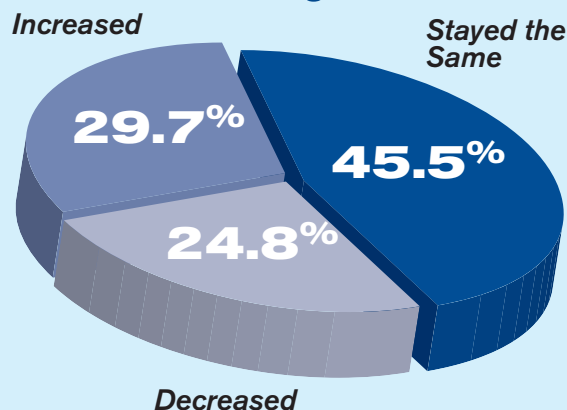
Respondents cited lots of insurance companies as refusing to pay for OEM parts if a customer objects to aftermarket crash parts. But some insurers made the list more often than others.

1. Progressive
2. Allstate
3. GEICO
4. Farmers
5. Nationwide

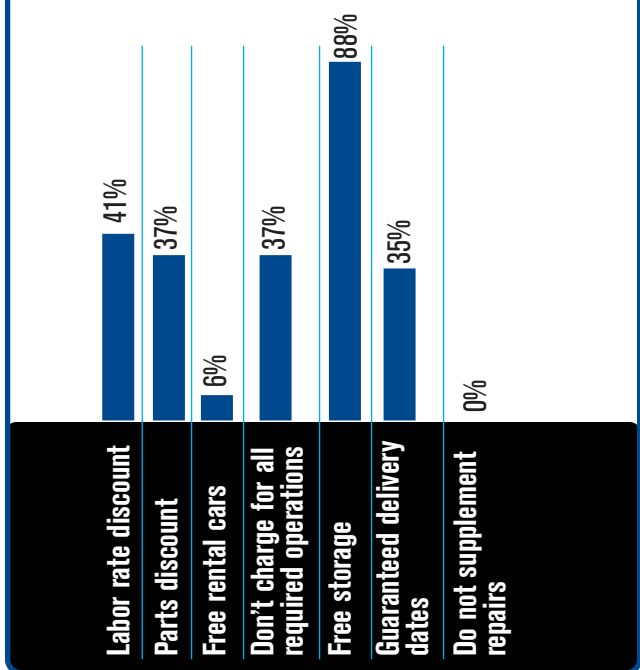
Do You Think the **Concept of DRPs** is Good or Bad for the Industry?



Since **DRP Affiliation**, What have Your **Profit Margins** Done?



Percentage of All **DRP Shops** Giving **Concessions**



Insurers & Labor Rates

Do you believe insurers' surveys of labor rates in a market area are accurate?



Do you experience influence from insurance companies to suppress your labor rates?



Sometimes → 30%

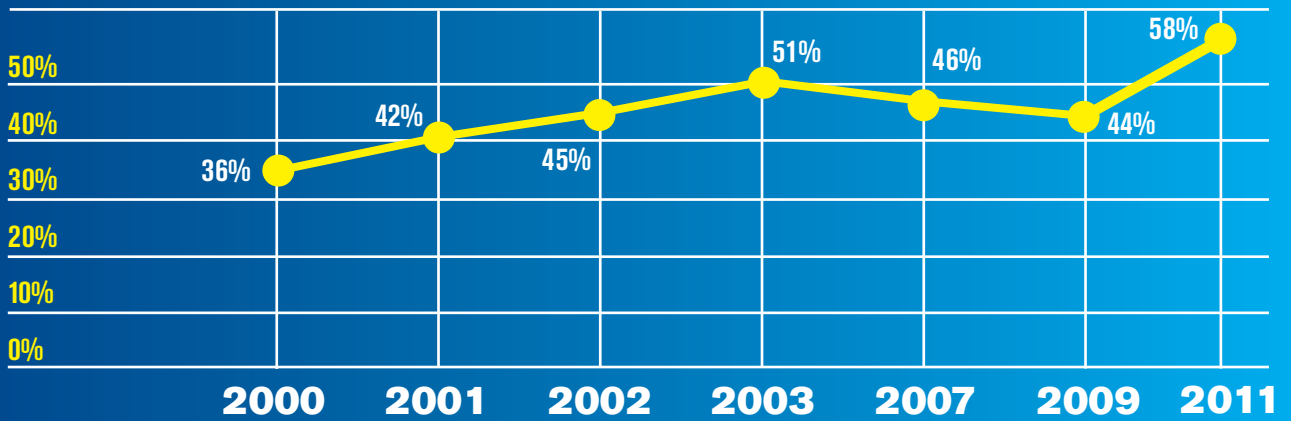
Do you steer vehicle owners away from "problem" insurers and toward ones that settle claims fairly?



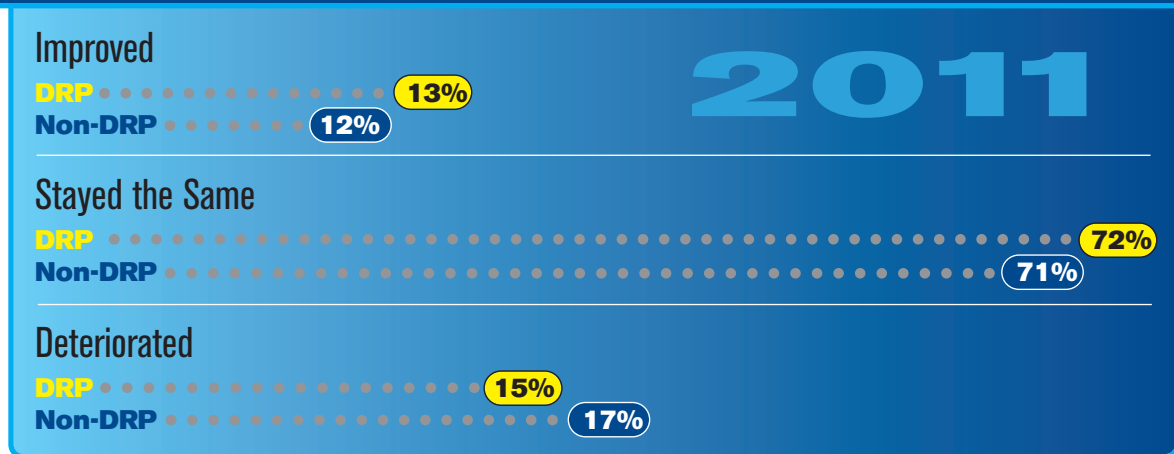
Percentage of Shops **Losing Business** Due to Insurer Steering



Percentage Involved in DRPs, 2000-2011



What's Happened with **Repairer/Appraiser Relations** During the Past Year?



Percentage Saying **Shop's Better Off** Due to **DRP Arrangement**

