

The Building Frustration with Disregarding OEM Required Procedures

By Keith Manich, Director of Collision Services

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I had a completely different topic to bring to you this month, but a reoccurring problem surfaced again multiple times this week and so I thought it was a good time to revisit it. What is it? The total disregard for the need to follow manufacturer's requirements on published repair procedures by some insurers. Why is it that a collision repairer must ask, plead, and beg to be paid for operations that the OEM clearly identifies as required to repair the vehicle properly? Only to be told, "We don't pay for that". Why is it that insurer "estimates" don't even recognize the need to repair a vehicle properly or by the OEM requirements? Why is it that insurers feel they have the right to pick and choose the operations they will pay for even when they are listed in the database they subscribe to while ignoring not included operations such as destructive weld testing?

I find it mind boggling that given the attention paid to these operations and the time manufacturers have spent with the collision repair industry communicating the requirement to complete them. Insurers are still disregarding them along with countless others because the "guy down the street doesn't charge for them" forgetting the fact that he may be repairing incorrectly. But that doesn't even phase the insurer representatives. Even in the unlikely event that a repairer may not perform the operations, there should still be an acknowledgment that these operations MUST BE completed and should be the first and second lines on an insurer estimate. With wording such as; "complete pre-repair scanning to identify electronic abnormalities after a collision" and then "complete post-repair scanning to validate that the repairs have restored electronic system operational readiness". Even to the layman this would make perfect sense, especially when the insurer still insures the car when it returns to the road (in first party losses). Think about that, they are still insuring the vehicle after the repair but aren't concerned about proper repairs or proper damage identification. The insurer needs to

acknowledge the repair requirements and if they feel the customer has been “short changed” in the repair process, pursue those who aren’t performing the repairs properly.

So why is there a reluctance to do so? Why does it have to be a friction point each time the repairer works on behalf of the customer to rectify these situations? Why must the repairer even have to ask to be paid for procedures that **MUST BE** completed to return the vehicle to pre-loss functionality? For most of us in this industry, the process of ensuring that safety systems function as designed is a “no brainer”. Of all the operations that have to be performed, these should create the **least** friction when included in the repair plan. But I guess we must remember that these are the same folks that ignore the fact that when blending a panel for color match, that 100% of the preparation items for painting still have to be completed (which are 75% of the time allocated for refinish), yet they want to reduce the panel labor time by 50% (When surfacer and base are only 65% and 19% of the time). But that is a topic for another month.

I work with collision shop owners in preparing long-term strategies for these “moments of confrontation” to help reduce the friction while getting paid for what they do. But it seems that there is a strategy on the other side to ignore the necessary in an effort to control cost, “no matter the cost”. A frequent concern which typically accompanies this lack of acknowledgement is the outright indignant approach used by some insurer representatives who; show up unannounced, don’t say they’re finished with their estimate and throw it on the desk as they’re leaving and conclude that “we just won’t and don’t pay for that” when called about an issue.

One way to help in your goal of getting paid for pre and post scanning is to include the scanning requirement and a customer acknowledgement of the need to perform them on your repair authorization form. Using the same type of disclaimer that medical providers use:

“Your insurer may not pay for all operations that must be performed on your vehicle after a loss. In cases where this occurs [naming the operations where this may happen] you will be responsible for any amounts that your insurer refuses to pay at the time the vehicle is delivered back to you in addition to your deductible or betterments.”

Have this as a line that requires initials. When the customer asks about it, let them know what is occurring. Also, tell them that they can independently submit the difference to their insurer for additional consideration since they are the insurance contract owner.

Here is an example:

Scan Code Diagnostics

I also understand that there will be scan code diagnostic procedures performed that are required by the vehicle manufacturer for purposes of identifying diagnostic codes in the vehicle's computer system. These are a required steps in the repair process. My insurer may or may not recognize these as necessary. Due to this fact, this authorization recognizes the need and requirements for the shop perform them on my behalf. It may be necessary for me to pay for the scanning portion of the repair invoice and then submit that portion of the bill directly to my insurer for reimbursement.

INITIALS _____ Date _____

It also helps to explain to your customer that they have the right to request a written denial from their insurer when they won't pay the complete bill. This denial letter and the information provided by the repairer can be sent to their State Insurance Commissioner in an effort to ensure that they are reimbursed. Hopefully if this occurs frequently enough it will help to eliminate this situation over time for all repairers.

The repairer must protect their business, and this will be accomplished through consumer education. Using the repair authorization as discussion point specific to the safety systems gives the repairer the opportunity to explain in detail how the systems will be returned to their intended functionality. The detail in this area is extremely important to the customer. The customer then becomes the repairers advocate in the event the insurer doesn't want to pay for the operation. I have spoken with hundreds of repairers who have voiced the same concerns to me in meetings around the country. What I find ironic is that the same insurer will pay for the items in one market and not in another. What changes, what makes it a policy in one market and not in another?

Although it may sound basic, **KNOW YOUR P PAGES**. That includes being able to access the P Pages of the system the insurer is using. You can go to DEGWEB.ORG to access them and if what you are trying to validate in the P Pages isn't clearly defined, submit an inquiry to DEGWEB.ORG asking for clarification. These help the entire industry.

Repairers train to be as good as they can be when performing all needed repairs for their customers. This now includes the researching and providing of documentation required to support the need for specific repair operations. Why should it be left to the decision of a street level insurance representative to tell a repairer that they are the final word on what's required and what will be paid for? Stand your ground, define the need, provide the documents and repair it correctly and when needed with the customer's support, be paid properly.

Keith Manich began his journey through the collision repair industry as a body technician and painter over 30 years ago, progressing through management, insurance claims, automotive engineering, testing and training and technical oversight at an industry MSO. He held roles in senior management in training and research at one of the nation's premier collision research facilities as well as traveling worldwide in his role as the center vice president. As a trainer and coach in damage analysis and damage blueprinting, he has also been responsible for developing SOPs, financial impact models, job aids and repair personnel job descriptions for collision repairers. He brings unique skill sets to the Automotive Training Institute as well as the industry. He regularly participates at collision industry events delivering immediately impactful information for collision repairers. His passion for repair process efficiencies, oversight of established processes and the designing and implementation of new repair and production procedures are never ending. He has an unquenchable thirst for knowledge which has helped to provide decades of properly repaired vehicles for their owners. He works with and is an active participant in many industry organizations such as CIC, SCRS, ASA, I-CAR, AMI and WMABA (just to name a few), and he has been a guest speaker at NACE, SEMA, AASP and other industry conventions. His productivity tips can be seen in Hammer & Dolly, where he is a featured writer. He can be reached at mkmanich@autotraining.net.

Ready to take the next step?

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Or learn more about ATI's proven [Shop Re-Engineering Program](#) which added over **1 BILLION dollars in new cash profits** to the bank accounts of our members in the last three years alone.