

# Dealing with a Bully Insurance Adjuster?



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## How to Fight Back and Win!

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In an industry dominated by insurance companies that reward adjusters for saving the companies money and pointing out their colleagues' mistakes, it is important to a small auto body shop's success to follow a few simple rules and, when necessary, to fight back when treated unfairly by an insurance company. One of the most important business decisions a small auto body repair business can make for its business to succeed is to decide not to become a victim to insurance companies. Just because the typical auto body shop is a small business does not mean it cannot fight big insurance companies, and win.

The experience of Axel's Body Shop [name changed for confidentiality] is a good example of how a small business in southern California chose to stop being victimized by an insurance company.

When Axel's Body Shop owner Steve Axel saw his customer's new 2009 Honda Fit towed into his shop because of an accident, he never imagined he would find himself suing his customer's insurance company because of a bully adjuster's temper tantrum and vengeful action.

At the time of the accident, the Honda had just over 1900 miles registered on its odometer and Steve's customer, Carl, had paid \$18,000 cash for it just two months earlier. Within days of the accident Carl's insurance company dispatched an adjuster to Axel's Body Shop. Following a detailed inspection, the adjuster estimated the damages to Carl's car at \$10,000. There was no disagreement over the estimate. The following day, however, another adjuster from the same insurance company arrived, announcing

he was going to perform a re-inspection pursuant to the insurance company's internal audit practices.

Having experienced how shops and customers lose out to conflicts that result between adjustors in these re-inspection practices, Steve's shop has a policy that requires not only an advance appointment for any re-inspections, but also that both the original adjustor and the new adjustor be present at the time of the re-inspection. The policy was posted and clearly visible in the body shop's office.

### **The Bully Emerges**

When the re-inspector arrived unannounced, Steve informed him of the shop's re-inspection policy and asked him to make an appointment. The re-inspector had two options: make an appointment to be able to re-inspect the car or leave. The re-inspector chose a third option: he threw a tantrum. His voice raised and red in the face, he waved his finger in Steve's face arguing that he had a right to re-inspect the car and that he had never heard of such a policy. He was again told that he could re-inspect the car if he made an appointment. His ego bruised and robbed temporarily of his power, the re-adjuster let his emotions override all measure of common sense as he proceeded into bully mode and issued his declaration: "Tell you what I am going to do," he yelled. "I am going to total loss the vehicle and it'll be pulled out of here!"

Steve thought the edict was ridiculous: the car hadn't been re-inspected and damage was estimated at \$10,000, nowhere near the value of the new car. Steve began the work on Carl's Honda.

It was not until a week later that the original adjuster called to say the car had been declared a total loss, providing no justification. Steve had already spent several labor hours repairing the Honda, based on the original estimate. He had also ordered original parts for Carl's Honda that the company was no longer willing to take back. In addition, with Carl's vehicle declared a total loss, Axel's Body Shop would lose the \$10,000 repair job just because the re-inspector got angry and behaved like a bully by making sure Steve's shop wouldn't get the work.

While the bully re-adjustor had the power of an insurance company behind him, a bully usually backs down when you refuse to be his victim. Steve decided to fight back

through the legal system. His shop's attorney sent a letter to the insurance company detailing the events based on great notes kept by Steve. The company first tried to justify its actions so the attorney threatened and filed a lawsuit including the allegation of intentional interference with contract (a tort that carries potential punitive damages in California). In this case, the escalation of the letter to a lawsuit was enough to get the parties to the negotiating table and the shop was fully compensated.

## **How to Fight Back**

Shops all over the country without DRP contracts more often than not find themselves at the mercy of adjustors. You can probably point to several situations where your professional experience tells you that the insurance company did not do right by you or your customer. In difficult economic times, insurers are no exception to businesses looking for ways to cut costs, which usually means that the customer loses out. But these are difficult economic times for auto body shops, too, and the best way to keep from becoming a victim is to fight back!

The next time you are in a difficult situation with an adjustor, prepare and protect yourself with the following four simple steps:

**Take notes.** Write down (or talk into a recorder) what you and the adjuster said during the inspection that may be a point of disagreement in the estimate. Make sure you write (or record) the name of the adjustor, the date and time of the conversation and the date and time of your notes;

**Assert Yourself.** If you receive an estimate that you or your customer disagrees with, call the adjustor. Most importantly, write notes during your conversation to have a record of what was said (it is illegal to tape record the other person on the phone without their knowledge, but you may write notes). Don't forget to write the date and time and name of anyone with whom you speak;

**Write a letter.** If you still can't reach agreement, write a factual (not emotional) letter to the adjuster or claims representative. Include a description of the problem and anything that was said to you by anyone at the insurance company to show how the insurer is being unreasonable, etc. Keep a copy of the letter; and

**Get help.** If you still have no resolution or the problem is getting worse, call an

attorney to help you. Be prepared to tell your attorney the whole story and give your attorney your notes. In most cases, a letter from your attorney may be all you need to put a stop to the difficult adjustor.

It is natural for shop owners to be concerned that an insurance company will retaliate against their business. But, like Axels's Body Shop, standing up for your shop in a strong and professional manner, and investing in a few hours of your attorney's time, if necessary, is often your best defense against repeating the cycle of bully and victim. Moreover, in both the short and long run, you will build a reputation among your customers, and they will tell others, that yours is a body shop that is on their side and gets the job done.

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