

INSURANCE APP ESTIMATES

TIPS FOR WORKING WITH CUSTOMERS



TIP OF THE ICEBERG

You know the results of an insurance company app often miss the real extent of vehicle damage. Help your customers understand what they need to do in order to get the coverage they need for the required repairs.

INTERACTING WITH CUSTOMERS AND INSURANCE COMPANIES

We live in an app-based world. You can do almost everything with apps: do your banking, order food, find a parking place, even report an accident to your insurance company.

While a photo-based estimating app may be convenient for the customer, it can produce misleading results that sometimes miss hidden damage. Here's why: Say a driver is at a stop light and they get hit from behind. They get out, inspect the damage, call their insurance company, and then use the insurance company's photo-based estimating app.

The insurance company comes back to them with an estimate, and if the client agrees, deposits a check in the client's bank account. Sounds simple so far.

The customer then takes their vehicle into a collision center for repair.

WHAT YOU DON'T SEE

Here's where the challenge begins. The photos indicate what appears to be minor damage. But upon inspection, it's discovered that the muffler is loose—which was not visible in the photographs and not noted in the estimate. It's also discovered that the trunk doesn't latch properly, which would not be visible in pictures.

In this example, as documented in *Body Shop Business**, the insurance company—using their app—came up with an estimate of \$363.16.

Once the vehicle was in a collision center where a thorough inspection was performed, the estimate ballooned to \$2,136.36. The collision center then had to go back to the insurance company and file a supplement to cover the additional repairs.

*<https://www.bodyshopbusiness.com/photo-based-estimating-joke-consumers-perspective/>

HOW TO INTERACT WITH CUSTOMERS USING INSURANCE COMPANY APPS

Here are a few tips for working with a customer who arrives at your shop with an app-based estimate:

- Explain that the insurance adjusters can only react to what they see in your photos. This is not like seeing the damage in real life, because there may be hidden damage that's not visible to the camera.
- Tell the customer that before you can provide them with an estimate, you have to disassemble the vehicle to see what was damaged. For example:
 - An inspection may reveal that the body was "bent" and requires realignment
 - Sensors and cameras need to be tested to ensure they're still functioning properly and are properly aligned
- After inspection, carefully explain your findings to the customer:
 - Outline the steps you took to inspect the vehicle
 - Show them your estimate for parts and labor
 - Discuss the discrepancy between the app-based estimate and what really occurred during the collision
 - Tell the customer you'll work with their insurance company to explain the differences in an effort to help your customer file a claim for the true cost

Let your customer know that if you only perform the repairs authorized by the insurance company app (when there is hidden damage), that may put them in danger of accruing additional liability. When it comes time to trade or turn in the vehicle, the customer may become liable for additional hidden damage that may be discovered, which may also diminish the value of their vehicle. In the example above, the damage appears to be minimal. If the customer opted to skip the repair, keep the insurance money, and live with the damage, they may discover later that the value of their vehicle really took a hit.

Many insurance adjusters are busy. A vehicle may sit in a body shop for a few days before an adjuster shows up to do a proper evaluation and provide an estimate. So, while these photo estimating apps may save insurance companies time and money, they may also compromise the quality of the repair.

Insurance companies are giving consumers what they want—quick service—but, it might not include everything they need. Be upfront and honest with customers about the potential danger of using a photo-based app so you can fix their vehicle right the first time. 🚗



Upon inspection, additional damage is often discovered. It's important to discuss the damage with your customer and explain why the cost is higher than the estimate. Let them know you will talk to the insurance company on their behalf to file a supplement for the additional repairs.

