

Insurer Directed Poor Quality Unsafe Repair

2007 Subaru Impreza

- The vehicle in this presentation was directed by The Insurance Company to one of their DRP shops. The vehicle had only 329 miles on the odometer when repaired at the Allstate repair shop in March of 2007.
- In late February 2008 the vehicle owner brought his car to a non-DRP shop for damages sustained in another incident. He was a 19 year old college student.
- His mother informed the shop that they wanted to pay the \$6800.00 repair out of pocket for fear that the insurer would raise their rates or worse cancel her sons insurance.

- A representative from the body shop tried in her best interest to submit a claim with her insurer, but out of fear of higher rates on her young sons' policy she chose to pay for the repair herself.
- While the vehicle was under repair, the shop observed that a large prior repair had been done to the vehicle. In further inspection, the shop found severe quality and safety problems with the prior repair.

- The shop then called the boy's mother to inform her that, although her new repair would be completed within a couple of days the shop would not be able to give the vehicle back to her. The shop owner explained that her sons' vehicle in its poorly repaired condition was unsafe to drive. She was then asked about the circumstances of the old repair and informed the shop owner that the insurer had sent her to their DRP shop and was told that this shop would do a quality repair and that the insurer would guaranty the work.

- The shop owner advised her to call the insurer to come and inspect the vehicle and also have an independent post repair inspector look at the vehicle and produce a report.
- The end result was that after the insurer inspected the unsafe repairs, they made their DRP shop purchase the vehicle from their insured.
- Although the final outcome was that the insured was finally made whole there are still some troubling problems that exist in this situation.

- The repair that the DRP shop did billed the insurer \$5,422.00 for their repair. In our professional opinion, this type of repair should have been in the neighborhood of \$10,000. Because of the DRP contract, these shops must repair these cars quickly to mitigate the insurer rental exposure. They must charge flat fees for many procedures such as rust proofing, seam sealer, paint materials and other critical repair procedures. These cost mitigating steps among others make it economically impossible to produce a quality safe repair and bring the vehicle back to pre-loss condition.

- There was fraud committed in this repair. Due to the cost constraints put on these shops by the insurer, the temptation to commit fraud in order to make a profit is very strong. We are seeing this more and more in insurance directed repairs. These instances are not being brought to light because in many cases the insurer will bury the evidence by purchasing the vehicle from the insured when bad repairs or fraud are discovered.

- This vehicle was purchased from the insured thus ending their problem. However, since consumers are unaware that they have been victimized by poor, unsafe repairs, this 19 year old boy's life was put in jeopardy for almost a year. He put 20,000 miles on this vehicle driving to and from school in Maryland. He drove up and down I-95 in all sorts of weather in a vehicle whose wheels were not aligned properly and a vehicle so badly welded back together that a significant impact in the rear of this car could have had life threatening consequences for the occupants of the car.

- The owner of this vehicle was made to sign a confidentiality agreement as a condition of the purchase of their car. Thus further hiding what is really going on with these insurers directed repairers.
- Since this vehicle was not actually deemed a total loss, the insurer did not have the insured turn over the title for branding. Because the insurer made the shop buy the car they are no longer connected to consequences of what may happen to this vehicle down the road. In all likelihood, the shop will resell the vehicle to recover its losses. Being that it has a clean title, this dangerous vehicle will go back on the streets to another unsuspecting owner not knowing the danger they are in. This boy and his mother were fortunate that nothing happened to him.

**The question that should be asked is this:
Whose son is driving this potential death trap
now, and what government agency is going
to put a stop to the fraud being perpetuated
on the general public every day with these
insurance directed repairs?**

- **The illegal steering of consumers into these shops is getting out of control. The coercive and intimidating word tracts and tactics used by the insurance industry is taking away consumer choice. Because there are no punitive actions taken by the regulatory agencies in the states across the nation, it has embolden insurers to use any means possible to force insured's into these programs without regards for their rights or well being. Attached see press release from SCRS (one of our national associations)**

- **A credible, and well researched investigation must be done. I strongly recommend that any investigation that is done should include a qualified member of our association, for consulting purposes. We live it every day and we know where to look. The evidence is plain to see if it's looked for in the right places.**

As a side note, the shops that are doing these bad repairs are seldom taken off the insurers referred list. It seems saving money is higher on the insurers list of concerns than the safety of their insured's.

**Arrow points to area of
poor repair on vehicle**



**Poor quality, and insufficient
number of welds causing
panel separation and rust
condition**



Arrow points to area where frame rail and suspension carrier are located

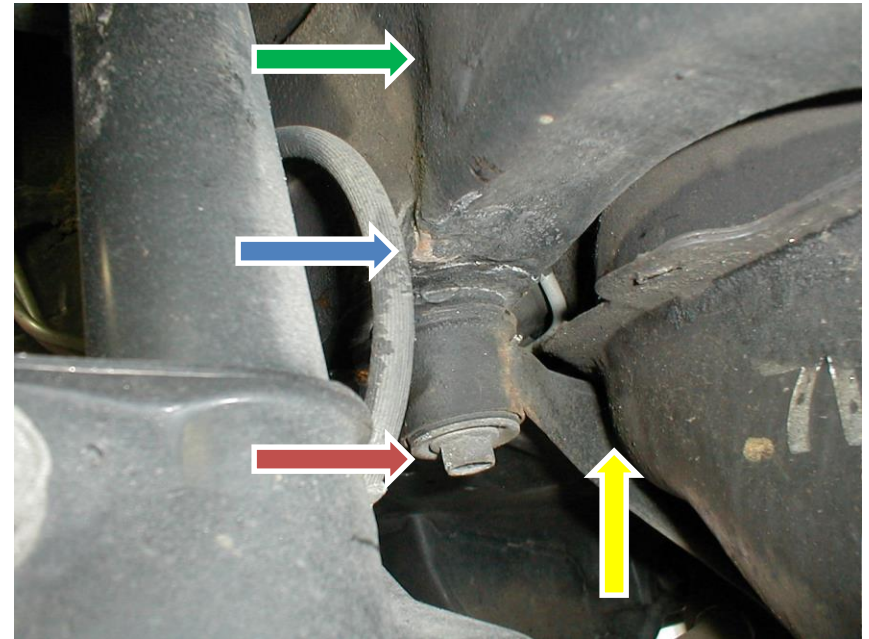
Because of the weakened and brittle condition of the frame rail, if vehicle sustained another rear-end impact, the possibility of the suspension carrier being driven into the fuel tank causing catastrophic results is very high.

1. Green arrow points to severe buckle in repaired frame rail.

2. Blue arrow points to improperly heated area of frame rail causing high strength steel to become brittle and rusty.

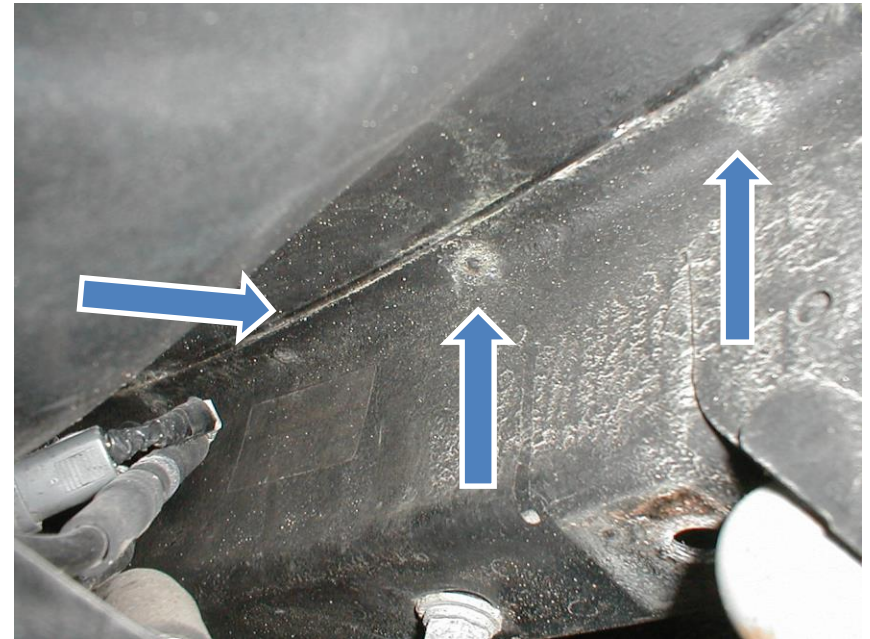
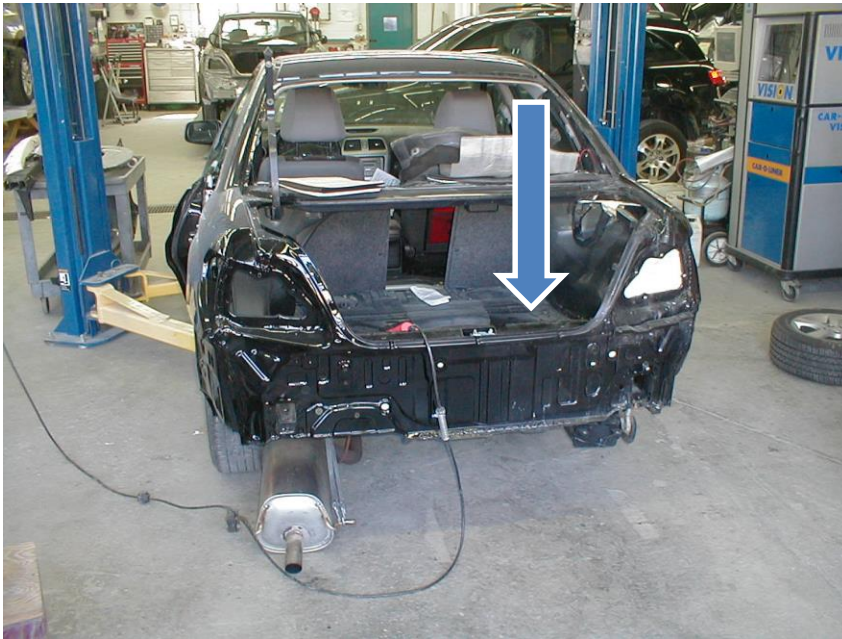
3. Red arrow points to main rear suspension carrier bolt.

4. Yellow arrow points to minimal gap between fuel tank on right side and suspension carrier on left side of arrow.



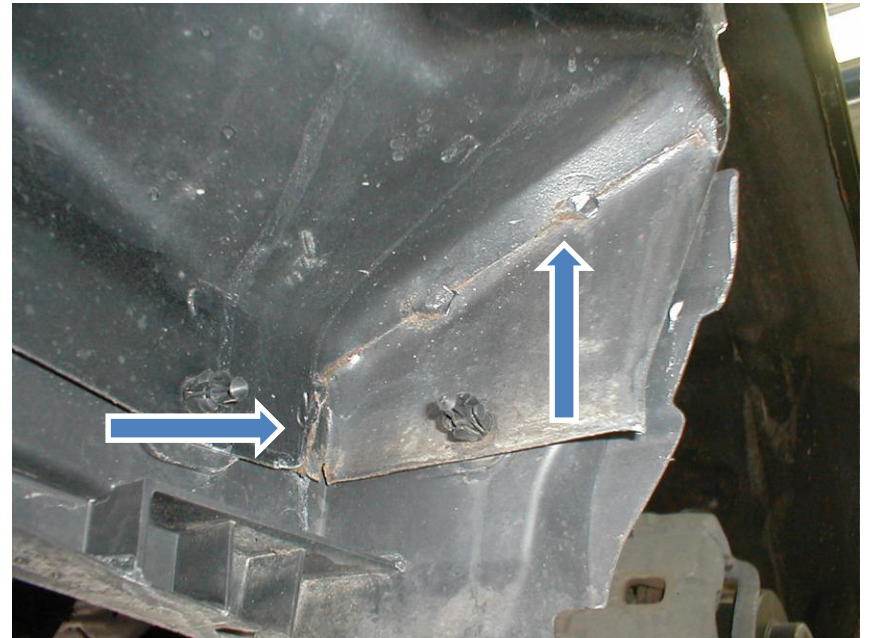
Arrow points to top side of trunk floor where frame rail is welded to underside

Poor quality and insufficient welds from trunk floor to right rear frame rail panels not aligned or mated properly. No seam sealer or corrosion protection

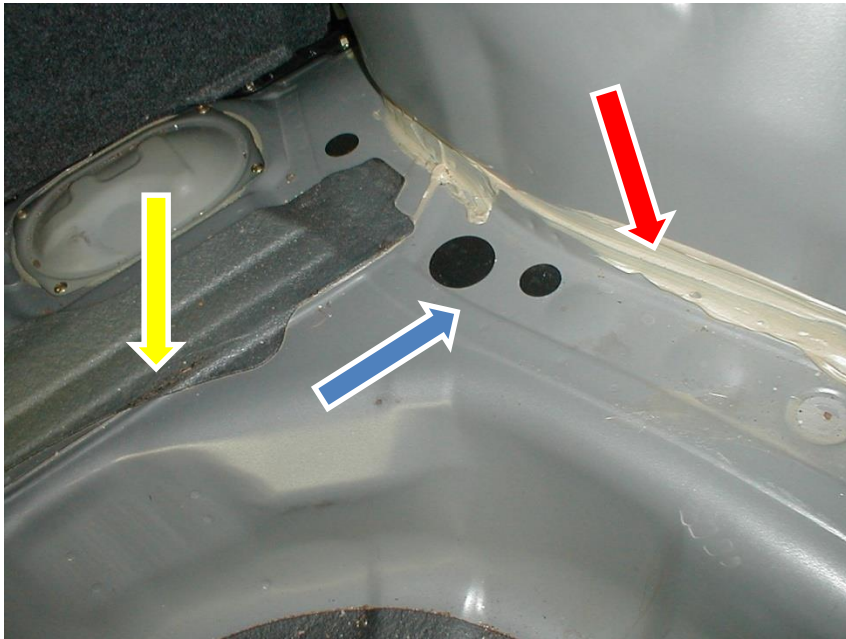


Arrow points to area of quarter panel extension

Right rear quarter panel to floor extension. Metal fatigued and torn with poor quality welds. No seam sealer, paint or corrosion protection.



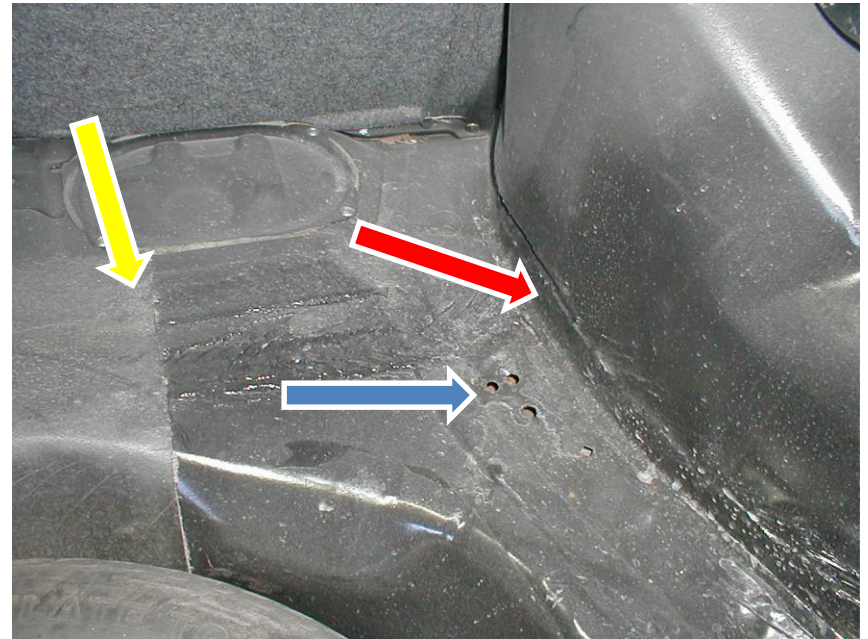
**Exact undamaged vehicle trunk floor.
Arrows correspond to poorly repaired
photo on right. Repairer should have
duplicated look and function to bring
vehicle as close to pre-loss condition as
possible.**



**Red arrow points to insufficient and improper
application of seam sealer.**

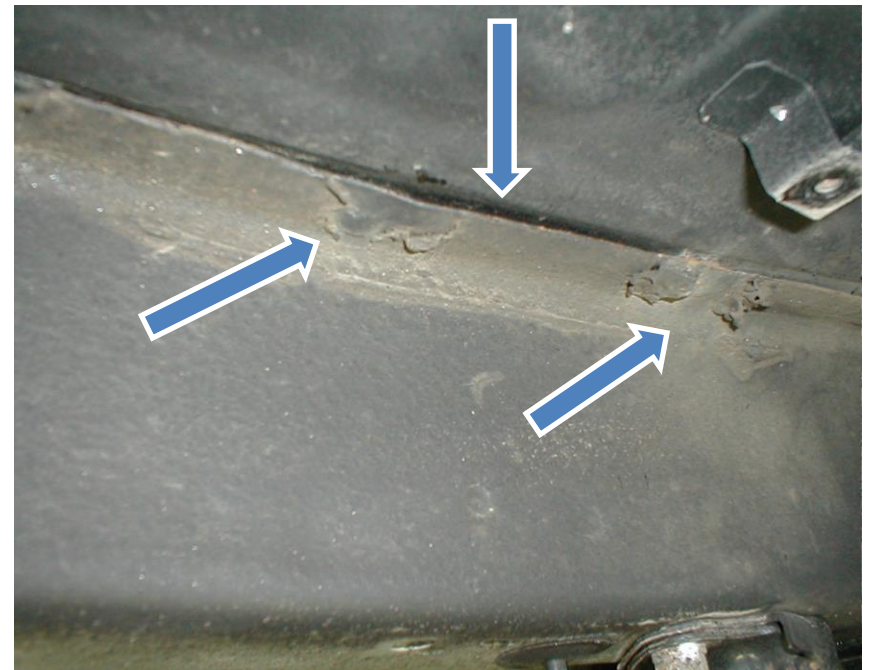
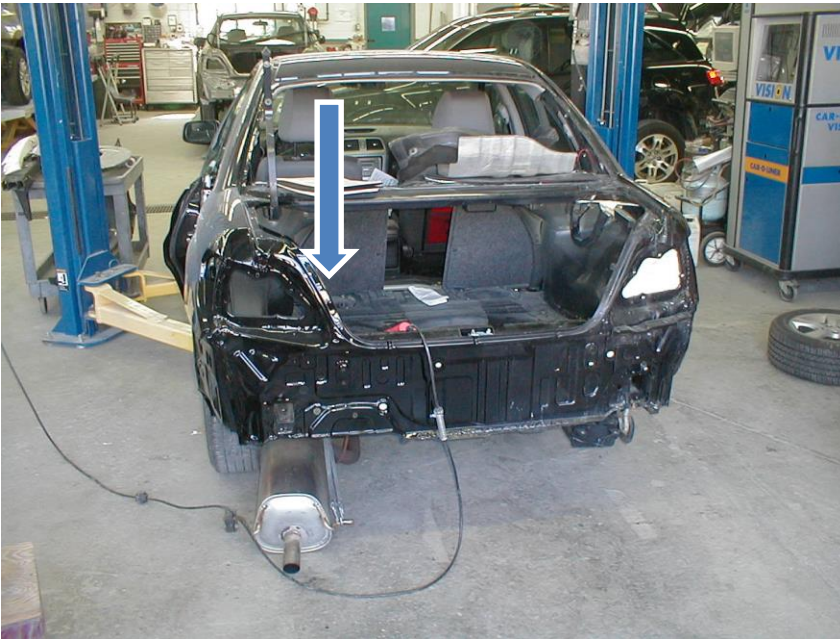
**Blue arrow points to unplugged holes in frame
rail causing exhaust fumes and moisture into
trunk and passenger compartment.**

**Yellow arrow points to improper sound
deadening material and improper location.**



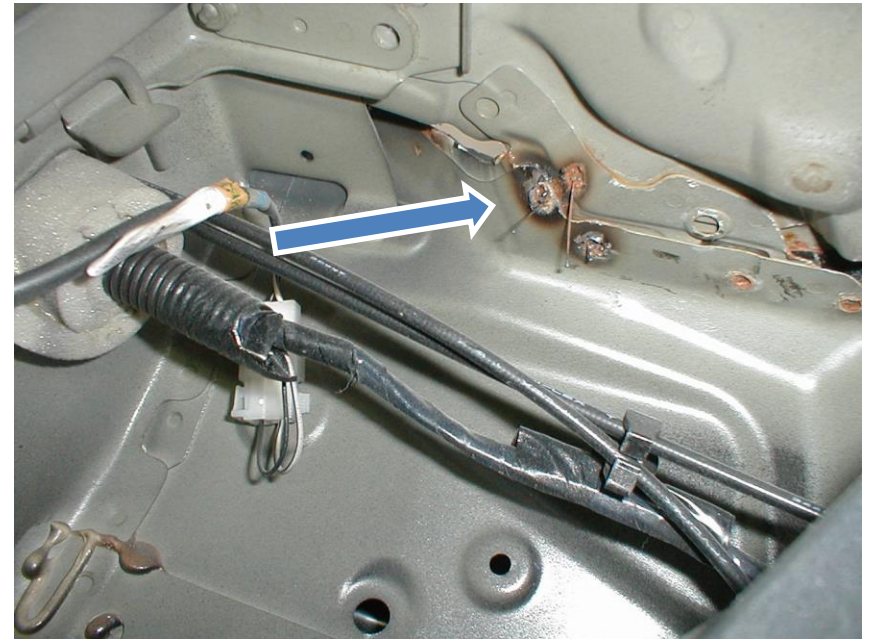
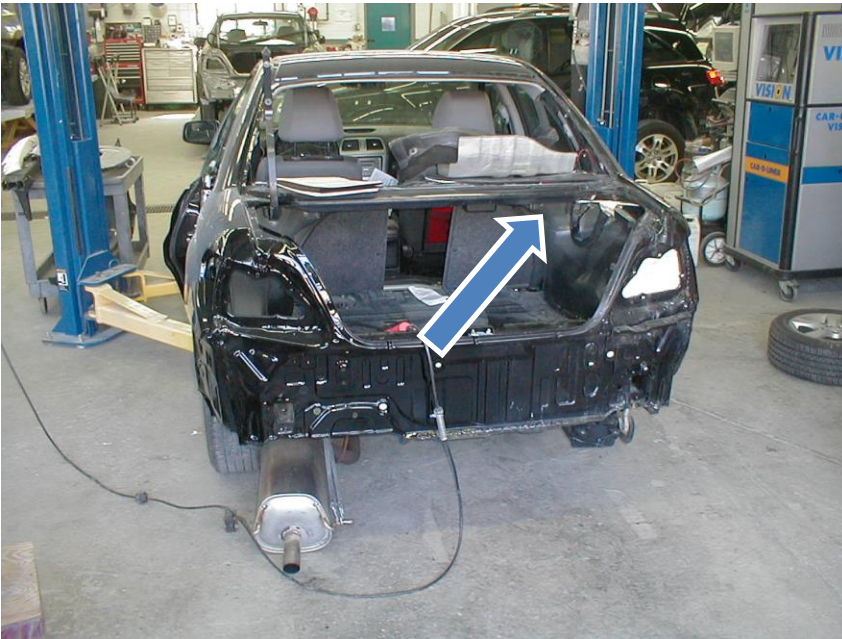
Arrow points to top-side of trunk floor where frame rail is welded to underside

Poor quality and insufficient welds from trunk floor to left rear frame rail, panels not aligned or mated properly. No seam sealer or corrosion protection

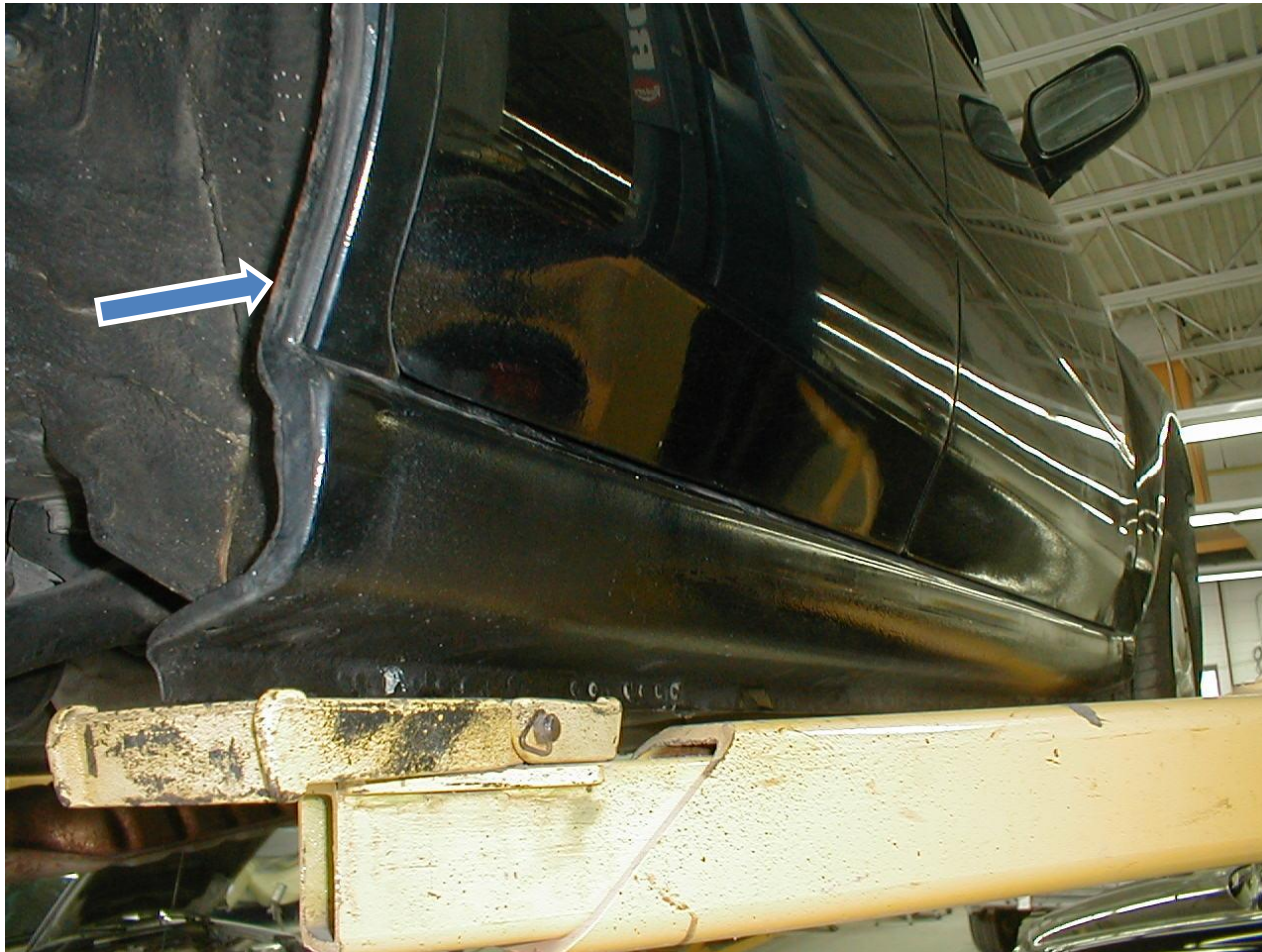


Arrow points to area of poor welds

Poor welds, no paint, no corrosion protection



Rusted and poor welds between outer quarter panel and inner wheel house. No seam sealer or corrosion protection.



Tire comparison

**Right rear tire in left picture frame
had been replaced recently**

**Three out of the four tires were
worn in a similar fashion as this tire
due to misalignment of frame and
rear suspension carrier**



Unrepaired clamp marks made from affixing vehicle to frame machine



Poor quality and insufficient amount of welds on frame rails, no seam sealer, no paint and no corrosion protection.



Trunk floor underside reinforcement, poor welds, no seam sealer or corrosion protection



- All of the preceding pictures of the repaired and welded areas of the underside of this vehicle show a rusting condition due to poor welds, no paint and no corrosion protection.
- This vehicle was in service only one year after this repair was completed. Because of the lack of seam sealer and corrosion protection the integrity and strength of the unit-body structure would continue to deteriorate to the point of complete disintegration in a short period of time.