

Document Control Log

REQUEST FOR INFORMATION

For STATE FARM COUNTY MUTUAL INSURANCE COMPANY OF TEXAS

TO: John Stuckemeyer	Document Request 2
State Farm County Mutual Insurance Company of Texas	1st Request: 10/23/17
FROM: Shemeddra Thomas, CIE, Texas Insurance Examiner	2nd Request :
	3rd Request:

PHONE:	DUE DATE: 10/30/17
ACCOUNT : Vehicle Repair Inquiry	

PAGE:	LINE:	AMOUNT: \$

Vehicle Repair Inquiry:

Questions and instructions are for the exam period of January 1, 2015, to December 31, 2015, unless otherwise indicated. Limit your responses to information applicable in Texas.

1. Training.

- a. Provide copies of any instructions, manuals, policies, and training materials provided to claims personnel, including but not limited to claim representatives, estimators, inspectors, claim processors, and claims management, regarding estimating or direct repair facilities (DRP), including but not limited to the Select Service Program.

2. Specific Items.

- a. Does your company pay for pre- and post-scan of vehicles involved in an accident?
- b. Does your company set caps or limits on repair costs?
 - i. Please explain how the caps or limits are determined.
- c. What is your company process for estimating damage involving the DRP and non-DRP, before the repair process?
- d. What is your company process for post inspection of repairs involving DRP and non-DRP facilities?

3. Labor Rates.

- a. How are labor rates determined?
- b. How often is that process completed?
- c. When did your company last adjust labor rates?
 - i. Provide copies of the material and information used in determining your most recent labor rate adjustment.
- d. Is there an appeal process for repair facilities to request reconsideration of labor rates?
 - i. If there is one, explain the process.
- e. What information does your company track on appeals of labor rates?
 - i. How is the information used?
 - ii. How long is the information maintained?
 - iii. In what format is the information maintained?
 - iv. Provide the current labor rates, both (DRP) and non-DRP, used in Texas.

4. Parts.

- a. Describe the process or method used for determining repair and or replacement parts in the repair process.
 - i. Provide material and information used in determining repair or replacement parts in the repair process.
- b. Describe your procedures for resolving conflicts between the parts included on the company provided estimate versus
 - i. the parts the mechanic recommends, or
 - ii. the parts the manufacturer recommends, or
 - iii. the parts the vehicle owner requests.
- c. Provide copies of material and information provided to all claims personnel regarding your procedures and policy for use of parts in company estimates.
- d. Describe how you determine whether a part is actually like kind and quality.
 - i. How has this process changed with the transition to the new policy language of "parts sufficient to restore the covered vehicle to its pre-loss condition?"
 - ii. Are there parts for which you would have paid a different amount under the "like kind and quality standard" than you would now?

5. Direct Repair Facilities.

- a. Provide a list of shops participating in your DRP during the exam period. Include the
 - i. shop name,
 - ii. address,
 - iii. phone number, and
 - iv. a contact name.
- b. Which of those repair facilities are no longer participating in your DRP?
- c. Provide a sample copy of the contract that repair facilities entered into to be on the DRP. If there is more than one version of the contract used during this period, please provide samples of each version.
- d. Does your company have procedures or a program in place to ensure that the repair facilities in you DRPs complete repairs that do not compromise the safety, structural integrity, or crashworthiness of the vehicle?
 - i. If yes, what are the procedures and what does that program consist of?

- ii. If not, why not?
- iii. Provide copies of material and information used in determining inspection and/or re-inspection guidelines for DRPs.

6. Repair Quality.

- a. What are your procedures for resolving conflicts between the vehicle manufacturer's recommended repair method, the adjuster's assessment of your company's estimate and cost of repairs, and the vehicle owner's requests? Please respond separately for
 - i. structural repairs,
 - ii. non-structural mechanical repairs, and
 - iii. non-structural cosmetic repairs.

7. Complaints.

- a. How many complaints regarding vehicle damages or quality of repairs did State Farm receive during the exam period?
- b. How many of those complaints were regarding DRP shops?
- c. How many of those complaints were regarding non-DRP shops?
 - i. In any of those claims, were you unable to reach an agreement? If so, please explain the items in dispute and the eventual outcome of the claims.
- d. Is your company aware of any claims where the insured "paid the difference" between the company's repair estimate and what the repair costs were at the insured's repair facility of choice?
 - i. If so, please explain the difference between the company's repair estimate and the actual repair costs, as well as the difference in amounts.

Company response: