



Pros & Cons of Referrals

Presentation by the
Ethics Committee
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Looking at DRP Referrals

- The issue is complex enough to look at it from both sides:
 - ◆ That of insurer or the referral source
 - ◆ That of repairer or recipient of the referral



DRP Referrals

The Insurer's Role

- What is good
- What is bad
- What is potentially unethical or illegal
- Possible Remedies

What Is Good

- Possible cycle time efficiencies
- Attempts to save customer time and make the process easier
- Can be reassuring to the vehicle owner who is not familiar with the area or a particular shop
- Insurer usually offers an “additional” warranty
- Saves the insurer considerable expense



What Is Bad

- When a consumer's shop of choice is ignored and the "sales pitch" continues
- Misleading a consumer to believe they are obligated to use the preferred shop
- Making both the claim and repair experience inconvenient or difficult for the consumer if they choose another shop



What Is Bad (cont'd)

- Insinuating that a non-DRP does not offer a warranty *or* does not perform quality repairs
- Disrespect for the insurer's own employees



Illegal or Unethical

- “Sales pitch” without any options
- Deceptive trade practices
- Asking the preferred shop to underestimate the final cost of a repair
- Putting savings before quality
- Creating cost shifting issues



Possible Remedies

- Enforce laws already on the books
- Close loopholes in existing laws
- Real negotiations between both parties
 - ◆ If one side allows a concession, the other should concede one in return
- Walk away from bad DRP agreements
- The return of common sense, ethics, trust and character in the running of our day to day business practices



**“I am only one, but still I am one.
I cannot do everything, but still I can
do something.**

**I will not refuse to do something
I *can* do.”**

~Helen Keller



Thank You For Your Attention!



***God Bless Our Troops and God
Bless America***