

Repair savvy

How setting up a collision repair process can improve profitability **Interviewed by Elizabeth Grace Saunders**

One of your fleet vehicles was involved in a collision. Thankfully, everyone walked away from the scene, but you've got a wrecked auto on your hands. Do you have a process in place so your employee knows exactly whom to contact and what information to record? Do you have a point person who understands how to work with the insurance company? Do you have a relationship with a repair shop that can get the vehicle back out on the road quickly? Refining your collision repair process — and evaluating your service providers — will help you to quickly get your vehicles out of the pit stop and moving full speed ahead.

“Knowledge is power,” says Brett Essex, supervisor of the auto physical damage department at Westfield Insurance. “Make sure to read and understand your insurance policy and know that ultimately you have the choice in where your vehicle is repaired.”

Smart Business discussed with Essex why you should set up a repair service process, how to evaluate shops and how to reduce your collision expenses.

What's the average claims expense for a mid-size fleet?

Statistics show that about 68 percent of every claim dollar paid by insurers goes toward auto claims. This means expenses associated with vehicle accidents play a significant role in business and insurance companies' budgets. For example, the average collision repair is around \$2,000. For a mid-size fleet of 100 units and about 20 claims per year, your repair costs would total \$40,000.

But collision claims involve much more than just damaged vehicles. The complete process includes injuries, property damage, loss of use, employee downtime and many other associated costs. So based on the same mid-size fleet, the total expense could easily soar to more than \$100,000 for just 20 losses.

How can organizations streamline their repair process?

I believe the greatest asset for every company is to have a single contact person to coordinate all of the claims and the repairs. Having a point person makes it easier for your drivers to know exactly whom to call



Brett Essex

Supervisor, auto physical damage department
Westfield Insurance

and inform of the situation. It also ensures that the correct insurance contacts and service providers receive notice of the situation. A designated person facilitates clear communication between the driver, the insurance carrier and the collision repair shop. Also, this individual can keep helpful records of prior service and routine safety checks.

What qualities should companies look for in a repair shop?

You need to always verify that a facility has certified technicians to fix your vehicles. Also, the more you know about how shops operate, the better you can choose the one that best fits your needs. If you own a large fleet or service-type vehicles, turnaround time is imperative to your bottom line. You should select a repair facility that can handle a large volume of work and still ensure quality. Additionally, you should look for shops that do all of the work in-house. They should have the proper frame equipment, paint booth, welding, alignment and mechanical facilities. Having these capabilities onsite can reduce the repair cycle time by 25 percent.

BRETT ESSEX is the supervisor for the auto physical damage department at Westfield Insurance. Reach him at (877) 865-1457 or brettessex@westfieldgrp.com. In business for more than 160 years, Westfield Insurance provides commercial and personal insurance services to customers in 18 states. Represented by leading independent insurance agencies, the product we offer is peace of mind and our promise of protection is supported by a commitment to service excellence. For more information, visit www.westfieldinsurance.com.

How should businesses decide on an auto facility?

I think we need to look at choosing a collision repair shop differently than we ever have before. I suggest getting feedback from your agent and your insurance company who can suggest shops that provide quality repair while charging a fair market value. This can curb poor workmanship, out-of-pocket expenses and costly time delays.

For companies with fleet vehicles, there's too much expense at stake — in both time and money — to take such a casual approach. After selecting a few shops that fit your geographical needs, interview them. Ask to meet with the management and discuss items like productivity cycle times, warranties and quality assurance. Also, find out how they measure customer satisfaction, and speak with satisfied customers. Essential traits to look for in a shop include efficiency, quality and competitive pricing. Additionally, you should take note of their involvement in the community and their respective industry.

Insurance carriers may already have business relationships with direct repair facilities, which can help facilitate the claims process. If these shops meet your needs, you can easily form an effective working relationship between these facilities, your business and your insurance carrier.

How can companies dramatically decrease their repair costs?

Forming an agreement with your preferred repair shop to use alternative parts can decrease your costs without compromising safety. Also, a good preventive maintenance program can significantly reduce your out-of-pocket expenses by as much as 50 percent. Regular preventive maintenance also means your drivers operate safer vehicles. Many times worn items like tires, brakes and steering parts lead to collision accidents. So maintaining a safe vehicle not only reduces claims and claims cost but also enhances your bottom line through improved productivity. <<

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