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New Haven Register

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Opinion: When a total loss is not really a total loss

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March 29, 2023



An air bag deploys in a crash test from the Insurance Institute for Highway Safety.

Uncredited, Hons / AP

You have been in a car accident and your air bag went off. Fortunately, you escaped without serious injury. But the insurance company says your car is a total loss, offering you a quick payment to settle the claim.

Does the settlement offer represent the real value of the car or is it a way for the insurance company to save money? Is it really a total loss? It is time for the state Insurance Department and the state attorney general to investigate the ongoing deception regularly perpetrated on unsuspecting consumers by a few large insurance companies.

The general rule: Insurance companies consider a vehicle a total loss if the cost to restore it to its pre-accident condition is more than the car is worth. And that is where the problem begins.

The appraisal of the damage may not be as fair or impartial as required by law. It is increasingly common, for example, for some insurance companies to appraise the cost of repairs without ever physically seeing the car — just some photos. One company even sends those photos to an allegedly licensed adjuster somewhere overseas. How an individual in, say, India, became Connecticut licensed in the first place is itself worthy of investigation. And how is it that the same Connecticut appraiser's license seems to sign off on everything reviewed in India?

Nevertheless, photos alone cannot give sufficient information to obtain the true cost of repairs. Let's get on-site appraisers back to work. No more reliance on photos alone.

After a significant accident, the cost of repairing air bag alone can range from roughly \$1,000 to as much as \$6,000, depending on the make and model of the car. It then become fairly easy for the insurance company to say the car is a "total" and not worth making the repairs.

Keep in mind, if the insurance company says the car is a "total," you can still accept a check and keep the car — maybe then bring it to a reputable shop for a reasonable repair. And, of course, an insurance company's settlement offer is not necessarily carved in stone. You can negotiate, especially if you have data to back up your argument.

Insurance companies, of course, have every right to try to reduce the cost of repairs. That helps keep our insurance premiums as low as possible. However, collusion between an appraiser and an insurance company is illegal — even if that collusion is just the result of an eye blink and promise of more work in the future. It must be investigated.

The appraiser must remain unbiased, impartial and fair.

Is it fair for an insurance company to take 15 or 20 days just to look at the damaged car? After delays to even look at the car, is it fair for the insurance company to stop paying for a rental car? Is it fair to refuse to pay for storage of the vehicle when it is the insurance company causing long-term storage to be needed?

As well, claiming a car is a "total" because an air bag went off is not impartial or fair. Basing an estimate of the cost of repairs exclusively on photos is not fair or unbiased.

In the past, the Connecticut General Assembly considered legislation to prohibit outside interference from pressuring licensed repairers to cut corners on the quality and safety of repairs. Unfortunately, it did not pass. Now is the time to reconsider such consumer protection measures.

Can we count on Attorney General William Tong to help move legislation forward? Can we count on Tong to more vigorously investigate claims of insurance company malfeasance? And what about the state Insurance Department? Is that department sufficiently free of pressure from the insurance companies themselves?

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