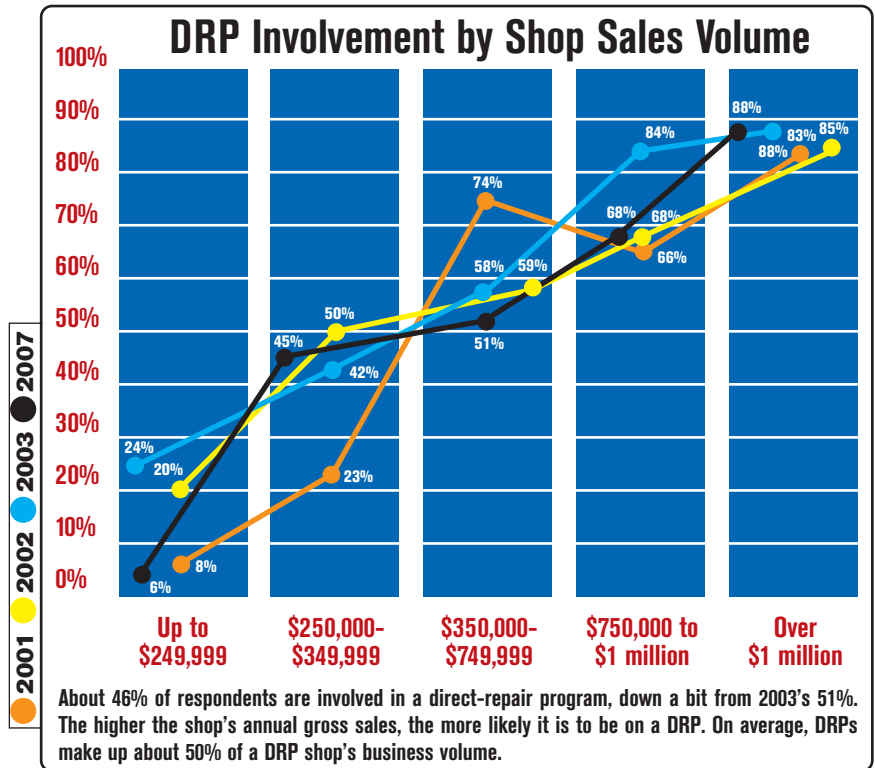


Insurer- Repairer Relations

(Almost) everything you ever wanted to know about insurers and repairers.



How Shops Rate Insurers

1 = Very Good, 5 = Very Poor

	Allstate	AIG	American Family	Farmers	GEICO	Liberty Mutual	Nationwide	Progressive	State Farm	USAA
Insurer's level of concern for consumer's best interest	3.2	3.0	2.8	3.1	3.1	2.9	3.2	3.9	2.3	2.6
Knowledge/expertise of field adjusters	2.6	2.9	2.6	2.8	2.9	2.7	2.8	3.8	2.1	2.5
Accuracy of insurer-prepared estimates	3.1	3.0	2.9	3.1	3.1	3.0	3.1	3.8	2.3	2.7
Quality of repair resulting from insurer's repair policies	2.7	2.6	2.7	2.7	2.7	2.5	2.8	3.4	2.0	2.3
Consistency of insurer's policies on repair procedures	2.7	2.7	2.7	2.8	2.7	2.8	2.8	3.3	2.2	2.4
Efficiency of claims handling process	2.7	2.8	2.7	2.9	2.9	2.7	2.9	3.3	2.1	2.6
Fairness of reimbursement policies	2.8	2.9	2.8	2.9	2.9	2.8	2.9	3.5	2.2	2.5
Responsiveness of company personnel to shop's concerns	3.0	3.1	2.9	3.1	3.0	3.0	3.1	3.6	2.4	2.8
Honesty of company personnel	2.5	2.6	2.4	2.6	2.5	2.5	2.6	3.1	2.1	2.3
Total score out of a possible 45:	25.3	25.6	24.5	25.9	25.8	24.9	26.2	31.7	19.7	22.7

The number-one reason shops said they lose business due to steering centers around insurers influencing customers. The following are actual reasons listed by respondents:

1. "Insurers use scare tactics on customers."
2. "My customers feel threatened."
3. "Customers are told they have to go to a DRP shop."
4. "Insurance companies use their list and make it sound as though the customer has to choose from that list."
5. "Customers are intimidated by insurers to comply."
6. "Insurers make customers jump through hoops to use our shop."
7. "Insurance company may say to insured, 'He's not in our program.'"
8. "Average customer doesn't realize their shop isn't doing the work until it's too late."
9. "Customers don't understand they have choices."

On a positive note, 88% of respondents said they explain/educate customers regarding their rights. Despite this, it seems that insurers are still finding ways to steer given that 83% of respondents said they still lose business to steering.

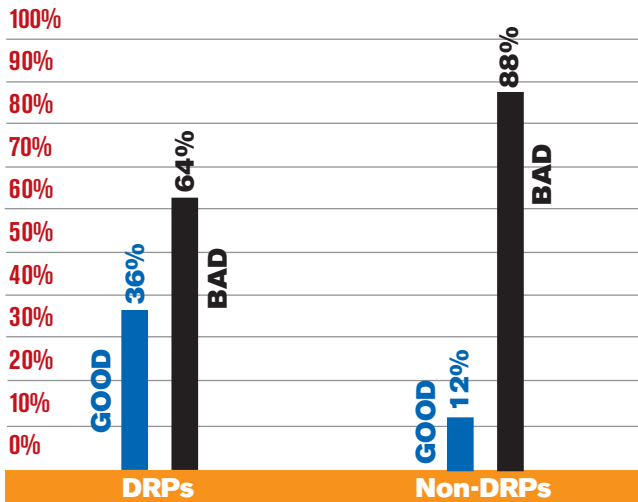
Refusal to Pay: the Worst Offenders

Respondents cited lots of insurance companies as refusing to pay for OEM parts if a customer objects to aftermarket crash parts. But some insurers made the list more often than others.

1. Progressive
2. Farmers
3. Allstate
4. Nationwide
5. GEICO

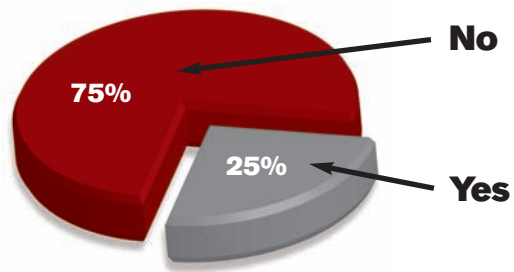
Progressive is the clear leader when it comes to refusal to pay, according to respondents. Progressive beat out the No. 2 contender, Farmers, by a 2:1 margin.

Do You Think the Concept of DRPs is Good or Bad for the Industry?

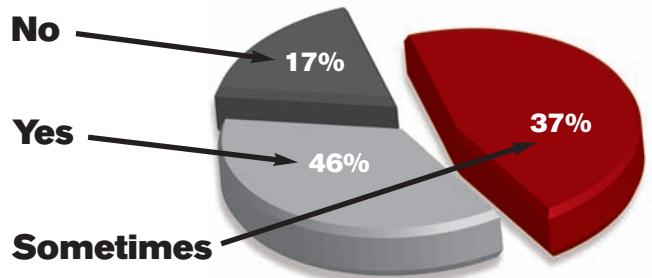


DRP shop owners who say DRPs are bad for the industry significantly increased from our last Industry Profile in 2003, when only 35% said they were bad. Coupled with the fact that 65% of respondents who are on a DRP said they were better off than if they weren't on one (a significant decrease from 83% in '03), this would seem to indicate that shop owners still value DRPs in regard to sales volume but possibly are getting squeezed more and making a lower net profit. The following numbers would seem to support that: 44% said that since being on a DRP, their profit margin has stayed the same, while 32% said their profit margin has decreased compared to only 24% who said it increased.

Insurers & Labor Rates

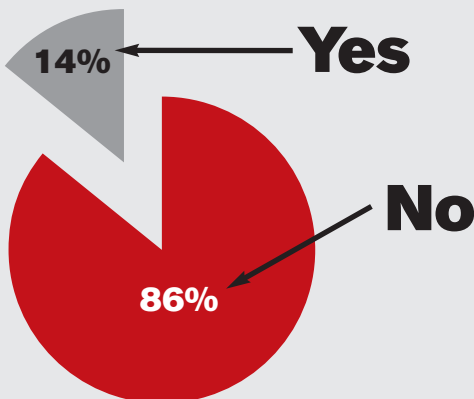


Do you believe insurers' surveys of labor rates in a market area are accurate?



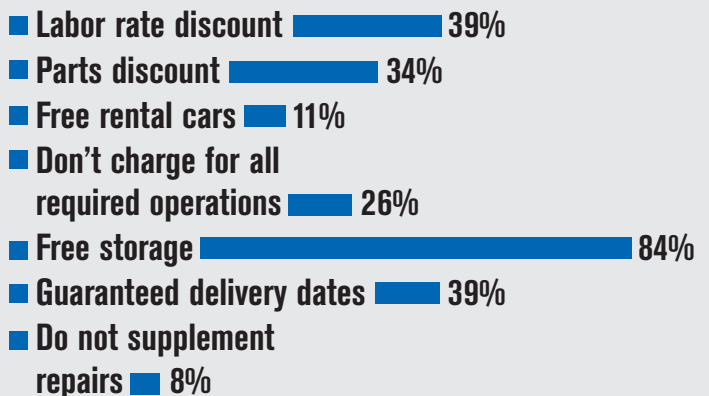
Do you experience influence from insurance companies to suppress your rates?

As a DRP Shop, Do You Give Concessions?



The number of DRP shop respondents saying they give concessions has dropped significantly since our last Industry Profile in 2003. In '03, 23.2% of DRP shops said they gave concessions, compared to this year's 14%.

Percentage of All DRP Shops Giving Concessions

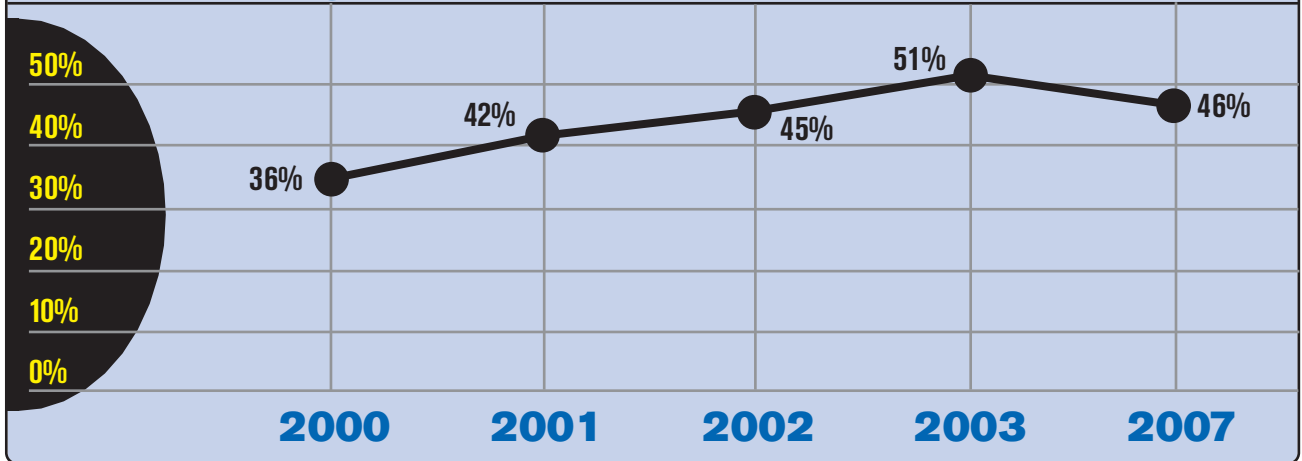


Percentage of Shops Losing Business Due to Insurer Steering

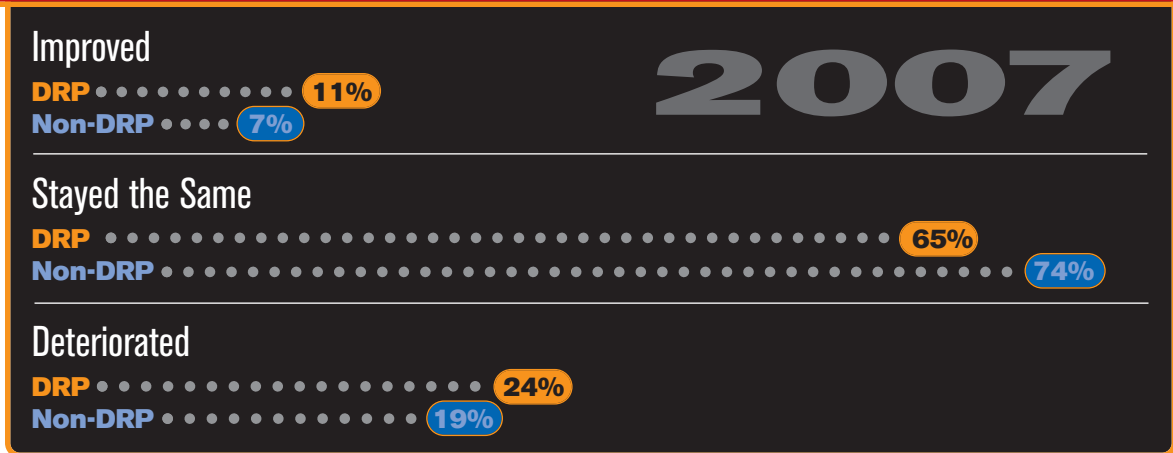


These numbers are both higher from '03, another indication that would seem to point to increased insurer steering. As you can see, even DRP shops aren't immune to insurer steering. Unless you're on ALL possible DRPs, you're fair game. Says one DRP shop owner: "The company I am not direct with sends cars elsewhere."

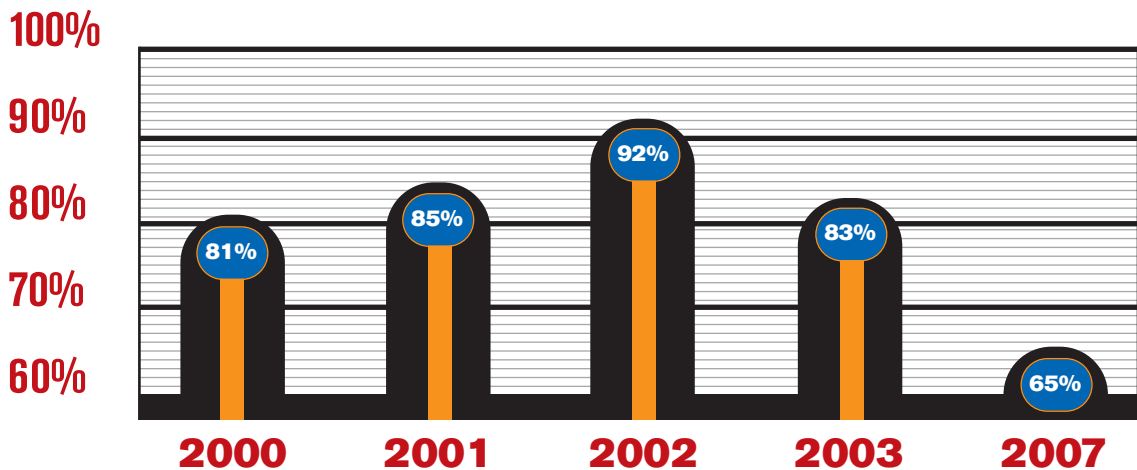
Percentage Involved in DRPs, 2000-2007



What's Happened with Repairer/Appraiser Relations During the Past Year?



Percentage Saying Shop's Better Off Due to DRP Arrangement



Reasons cited for being better off due to DRP arrangements include more control of repair decisions; increased business volume; the ability to write an accurate estimate; streamlined claims handling and repair process (inspect vehicle, write the estimate yourself, start repair immediately, no waiting for supplements); reduced cycle time; and better CSI. Since DRP affiliation, 24% of respondents say their profit margins have increased, 32% say they've decreased and 44% say they've stayed the same.