

CRASH



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SERVING INSURANCE PROFESSIONALS-LAWYERS-STATE FRAUD INVESTIGATORS AND LAW ENFORCEMENT

VOLUME 3 NUMBER 10

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JUNE 2004

\$\$\$\$ 99.00 DOLLAR LABOR RATES

RV LABOR RATES ARE SKY-ROCKETING AND THERE IS NO END IN SITE. WHY?

Unlike automobile repair facilities there are no established guidelines for RV repairs. Many years ago the insurance industry was able to get a handle on repair times and reasonable labor rates for automobiles. In RV repairs, there are virtually none. It is whatever the market will bear, and nobody is trying to put the brakes on the escalating cost. One reason is, when there is damage to an RV most claims adjusters don't have a clue as to how long a repair may take let alone what needs to be done, so they just pay it. Even most independent estimators copy the repair facility's estimate and turn it in to the insurance company. The repair facility knows this and they count on the inexperienced adjuster. So how much do the RV repair facilities overcharge? This investigator normally sees two to six hundred percent. The repair facilities have even become so blatant at overcharging, they will come back with supplements on top of their already inflated charges.

So if the repair facilities are getting away with exurbanite labor rates ranging upwards of \$99.00 per hour, then what is there rational? Most don't even have a reason, they just say, "It's

what I charge" or "Everyone else is charging this." When questioning them in detail as to "What makes your painter or fiberglass repair person that much better than someone working on a Lexus or Mercedes and charging \$36-38.00 per hour?" or "If paint and fiberglass are the same cost on an automobile or RV, then why do you charge more?" They will say, "It is bigger." Yes it is bigger, but the additional square footage cost of the space does not justify charging two hundred fifty percent more. In fact, based upon building square foot cost the most that could possibly be realized is \$1.50 per hour more than an automobile labor rate. Usually the repairs are larger than automobiles, therefore creating more billable time, which should create lower rates not \$60-70-80 or 99.00 dollars per hour. RV repair facilities also have a tradition of a high turnover in personnel, which usually affects the quality of work. One repair facility that charges \$99.00 per hour has a hard cost (labor, full health plan, special owner services and building overhead) of \$32.00 per hour. So why do they charge the high dollar when an automobile dealer can do a better job for less money? Because they can.

This investigator believes that when a repair facility increases the labor

times above what a reasonably body repair person would take, it becomes an issue of fraud. If the repair facility estimator is experienced then he or she knows the true and accurate labor times. If they are not experienced then they should not be in that position. The statute of fraud reads, "Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree." Whether it is the insured or the repair facility, if that person knowingly and with willful intent submits a document that contains false or misleading information then the statute of frauds may apply.

When both the insurance companies and the manufacturers pay excessive amounts everyone loses but the repair facility. The cost of insurance has to be increased and paid by everyone, and the RV manufacturers have to raise the price of the RV. RV repair facilities are getting "FAT" while others pay their labor windfalls. This is a runaway train and it must be up to the insurance industry to step up to the plate and stop it quickly.

by THOMAS BAILEY

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