

What Exactly is Pre-Loss Condition?

By Larry Montanez III,
with Peter Pratti Jr. and Phil Adams

What exactly is pre-loss or pre-accident condition? We have heard these terms used multiple times in the collision repair field, but do we truly understand them? The collision repair industry has used these terms as a selling point for years, and the insurance industry utilizes the phrase “make the consumer whole again” or the word “indemnify.” These terms need to be explained in detail so that we all understand exactly what we are trying to accomplish when we enter into the repair process. Let’s first look at some definitions:

Pre-Loss Condition: A term used by insurance companies to describe the condition of a vehicle prior to a collision or some other circumstance. Insurance companies are bound by their contract with their policyholder to return the vehicle to “pre-loss condition.” They are responsible for restoring the car to pre-loss condition, not rebuilding it to brand-new condition. Therefore, on older vehicles, they request a good used part or an aftermarket part in the rebuilding process. To expect more from them would be unreasonable.

Make Whole Again: The law permits you to seek recovery after an accident to “make you whole again.” The central concept is that you should be compensated in a manner that, as best as the law can arrange, places you back in the same position as you were before the accident.

Indemnify: To secure against hurt, loss, or damage and/or to make compensation to for incurred hurt, loss or damage.

Repair: To restore to good or sound condition after decay or damage.

Basically, it is the insurance companies’ responsibility to compensate or indemnify the vehicle owner to restore the vehicle to pre-loss condition. On the other hand, it is the collision repair shops’ responsibility to repair the vehicle as per the OEM (Original Equipment Manufacturer) specifications to pre-loss condition. But this is a misconception, as it is impossible for anyone to accurately restore a vehicle to pre-loss condition. Now before you start screaming at me and complaining that you have been fixing cars for *x* amount of years and never had any problems, let me explain my comments.

First of all, how many of you have a large vat or tank that you submerge every vehicle into after you replace panels to

clean the vehicle and remove all dirt and grease? How about an electro-depositing tank? How many of you replace every single weld using a resistance welder (STRSW)? How many of you have a spray booth that bakes the vehicle at temperatures exceeding 200°F? Well, you can see where I am going with this. The OEMs have tools, equipment, products and procedures that we do not have access to or even the money to obtain.

In the aftermarket field we are in, we have products, tools, equipment and procedures available that can repair the vehicle the way the vehicle manufacturer engineers recommend. But do not fool yourself into believing that the vehicle has been returned to “Pre-Loss Condition,” because it has not. For example, the Ford Motor Company wants their welded-on replacement panels to be replaced using the Weld-Bonding procedure, utilizing Lord-Fusor adhesives and STRSW. But Ford also states that if the STRSW equipment is not available, then the replacement panels should be MIG-bonded. However, this is not the way the factory constructed the vehicle, but it is the best method that the engineers have determined it can be repaired. Look at BMW, another OEM that uses Weld-Bonding to construct their vehicles. But for the aftermarket field, they want us to replace panels with no adhesive and twice as many welds than used originally. Is this pre-loss condition?

Let’s take a look at some of the aluminum vehicle assembly versus aluminum repair process. Many OEMs producing aluminum-intensive vehicles use clinches to assemble outer and inner panels together. Clinches are made by a machine that compresses or squeezes the aluminum panels together to make their own fastener. This process cannot be duplicated in the aftermarket field, so the engineers have developed procedures to repair the vehicle safely; however, they are not the same as when the vehicle was built. On BMW’s 5 and 6 series models, BMW utilizes a Monocoque/Unibody structure that has an aluminum front structure from the fire wall/dash panel forward and the remainder of the vehicle is various strengths of steel. The front aluminum monocoque structure (called a Graf) is assembled with SPRs (Self Piercing Rivets) without adhesives. But if the vehicle’s unibody is damaged in a collision, BMW states that one millimeter of deformation requires replacement of those parts, which means no structural realignment (pulling) at all. It is basically a cut-out-and-change procedure, but BMW requires special adhesive and specially coated structural blind rivets for replacement. After the repairs



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are completed, the replaced and non-replaced parts look nothing alike. Is this "Pre-Accident Condition"?

Another issue facing the collision repair industry is unrelated and/or prior damages. What is a shop supposed to do when the panel that is being repaired or replaced has unrelated damage (scratches, dings or even rust)? No vehicle owner is going to accept a repair that has prior damage on it when they pick up the vehicle. As most of us know, where does the customer look when they pick up their vehicle? They go straight to the unrelated damage and say either, "That was not there" or "Why didn't you fix that?" Insurance companies do not have to pay for unrelated damage, nor are they responsible. However, the consumer expects to receive a perfect job. Most of the time, the shop has to eat the costs and repair the unrelated damage for free just to satisfy the customer, so it is to your benefit to try to upsell those additional damages.

These are only a few examples supporting my opinion on the term "Pre-Accident Condition." As collision repair specialists, we need to stress to the consumer that, "We will repair your vehicle as per the manufacturers' required procedures, and will restore the inherent safety and functionality it was originally designed with." You can explain to the consumer that you will "make them whole again" per the OEM's specific recommended repair procedures.

The collision repair process has changed drastically over the past three to four years and will continue to change in the coming years. It is only going to get more intricate as the OEMs strive to make faster, safer, more fuel efficient and ecologically friendly vehicles that the public will desire. These new vehicles will be designed and manufactured with an array of exotic materials such as aluminum, titanium, carbon fiber and multiple strengths of steel,

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making it imperative that collision repair technicians, repair shop owners and insurance personnel invest in training, update and purchase additional new equipment to be able to repair these vehicles.



Larry Montanez is a former I-CAR Instructor and is co-owner of P&L Consultants with Peter Pratti Jr. P&L conducts repair workshops on MIG & Resistance Welding, Measuring for Estimating and Advanced Estimating Skills. P&L also conducts investigations for insurers and repair shops for improper repairs. Montanez is an I-CAR Platinum Individual, I-CAR Steel WOT, I-CAR Aluminum WOT, I-CAR Structural WOT, ASE Certified Collision Repair Estimator, ASE Certified Master Collision Repair/Refinishing Technician, ASE Certified Service Consultant, ASE EPA Reg. 609 A/C # 80982 MVAC, NYS Independent Adjusters Lic. # 749458, Toyota Prius Collision Trained, SAE Service Development Technical Committee Member and ASA Educational Member. Peter Pratti Jr. is an I-CAR Program Instructor who is ASE Certified and holds certifications in various industry circles such as with Toyota, Spies Hecker and Chief Automotive. P&L can be reached by contacting Montanez at (718) 891-4018 or larrygoju@aol.com.

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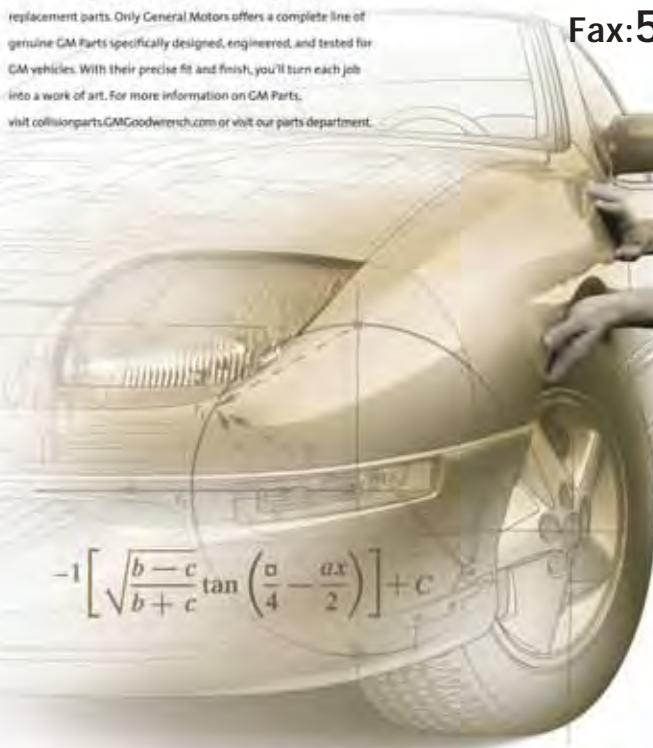
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