



Paintless Dent Repair Pricing System & Matrix

***A proposal for the Insurance Industry:
taking the Insurer/PDR Relationship to the next level.***

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Proposal

- That Insurance Companies adopt the large dent matrix and estimating process introduced herein, instituting a “PDR where possible policy”, and mandating PDR rather than conventional repair on damaged vehicles.
- That the Insurance Companies develop direct-repair relationships with PDR companies such as they already use with body shops.
- That the Insurers incorporate PDR pricing into their various estimating programs, thus standardizing for the first time both a method for estimating large dents and the accompanying pricing structure.

Overview

PDR has been widely adopted for repair of hail damage and door dings, but virtually unused when it comes to large dents, a method that could save Insurers hundreds of millions of dollars annually. Here is a list of advantages when applying PDR or PTP (Push to Paint) to large dents:

- **Restores vehicle to original pre-damaged condition. No diminished value.**
- **PDR - No painting.**
- **PTP - No replacement of body parts, saving both time and costs.**
- **Always faster repair.**
- **Customer satisfaction up, rental car expenses down.**
- **Adjustors and body shop estimators can estimate damage repair cost without the aid of PDR companies.**
- **Photos can be used to generate estimates to speed up the claims process and save adjusters time on approvals.**
- **Cash-out values are lower when panels are estimated for PDR from the beginning.**
- **Saving expenses with PDR can keep some cars from totaling.**
- **PDR is an environmentally green procedure.**



The Large Dent Matrix

The matrix is incorporated into an iPhone and Android app, allowing users to price repairs on damaged panels. Once the information is entered, the app yields the price for PDR and PTP repairs. The app also calculates additional difficulty factors, such as depth, body lines, glue pull, or creases, etc. Such factors increase the pricing by a percentage over the base pricing for the dent. Our system works in digital formats and can be incorporated into any of the estimating software systems in use today.

Basis of Pricing

Pricing on this matrix is based on years of actual pricing data from the field. I have been estimating and repairing large dents since 1992. Using this data, I have developed a complicated algorithm that makes a pricing matrix possible. Since these prices represent real work, technicians throughout the industry find them to be fair and equitable.



This Pontiac Vibe's owner photographed this dent with his cell phone and emailed it to me for an estimate!

Case Study #1

The owner had a body shop estimate for conventional repairs that came to around \$1,500, which covered a dent in a quarter panel and a dent in the door. He enquired about the PDR method to see if it was a viable solution. I estimated the panels at a total cost of \$499. In this case, the insurer paid \$1,000 more than was owed to the customer. Customer satisfaction index 100%.

Estimating Dents with SPDRE

The estimator inputs the size of the dent along with any difficulty factors, such as depth, body lines, aluminum, creases, etc. SPDRE will generate the price for the dent and create an estimate that can be distributed to all parties involved by email or paper. The question in this process is whether the PDR price is lower than a conventional repair. If so, then the panel is a prime candidate for PDR. The idea is to make use of PDR where it is both possible and cost effective.

PDR Where Possible Policy

PDR is as beneficial for large dents as it is for hail damage repair. A mandate for PDR is now possible because this system standardizes the pricing process that has been lacking in the industry. As a result, the insurers are paying out more than they owe, and getting an inferior repair.

Here are benefits to having a PDR Where Possible mandate:

- **PDR estimating is easier than conventional estimating because it is all cosmetic. If a panel looks fixable by PDR, estimate it that way. If wrong, just rewrite it for conventional repair.**
- **With PDR returning a vehicle to its pre-damaged condition, there is no diminished value to the insured.**
- **The cash-out payment is lower for customers who choose not to have repairs done.**

- The cost of PDR lowers the claim price and is faster than repairs using conventional methods.
- PDR or PTP saves panel replacement cost associated with conventional repairs, including savings with welded aluminum panels.
- Insurers have lower car rental costs.
- Insurers have higher CSI ratings.

Enforcing PDR Where Possible Policy

Enforcement of a PDR Where Possible policy should be instituted in the same way a mandate for PDR hail repairs was put in place. In 2003 insurers came out with the hail matrix for pricing, and body shops were told that the preferred repairs were to be done using PDR. Body shops realized that contracting out the work to PDR companies was the new way of doing business for hail repairs. A PDR Where Possible Policy has already been established and adding large dents to the equation is the next step in this enforcement. The difference being that now PDR shops can be used in this policy, simplifying the estimating and speeding up the repair.





Sharp creases across the bodylines



Dent behind and around Ford emblem

Case study#2

These panels were repaired 100% PDR while saving the decals. The body shop estimate was \$1,000 more than the SPDRE price. The Insurer saved money, and the vehicle was returned to the police the same day, a prime example of a car that can't be replaced by a rental car.

Claims Processing

Scheduling PDR for large dents has three possible scenarios:

- 1.Vehicle has more than one damaged panel, some of which need conventional repairs.
- 2.Vehicle has one or more dents, all repairable by PDR. Insured took vehicle to a body shop.
- 3.Vehicle has one or more dents, all repairable by PDR. Insured took vehicle first to a PDR company or the Insurer.

First scenario: Schedule with a qualified PDR technician to perform the PDR portion of the repairs while the car is there for conventional repairs.

Second scenario: Body shops may use their own in house tech or call a PDR contractor to work out the scheduling. Subscribers to SPDRE can schedule through the app and notifications are automatically sent to all parties. The PDR Where Possible mandate from insurers creates this type of body shop/ PDR relationship

Third scenario: Insurers assign claims to PDR companies requested by their insureds or to a direct repair PDR shops with which the insurer has B2B relationships with.

PDR Direct Repair Providers

Such an arrangement could have several benefits for both the insured and the insurer, such as:

- **Estimates can be emailed to adjusters for approval, saving the insured a trip to the shop.**
- **Giving PDR companies first right to repair can save panels from being replaced by collision repair facilities.**
- **The vehicle can be scheduled for repair at insureds convenience and location.**
- **The vehicle can be driven by the insured or picked up and delivered by a PDR company to their shop location.**
- **The claims can often be scheduled and repaired on the same day.**
- **Rental cars can often be avoided in such situations.**



Saving Panels With Push-To-Paint

Panels too damaged to be 100% repaired by the PDR method may be repairable by PTP. Technicians who are not in the practice of repairing large dents may not know whether they can repair them to perfection. With PTP a less-than-perfect PDR job simply becomes the beginning of the repair process since it is faster and less expensive than conventional repair. Using the PTP process, replacement of the panel is not necessary which in turn saves parts and r&i cost. PTP becomes easier as it is no longer necessary to raise the dent all the way to perfection. Because less work is required by the PDR technician, he can repair the dent for less money.



Notice the large, soft dent above and the small, severe dent below at the wheel well.

Case study #3 Push-to-Paint

The insured was quoted \$1,900 to replace the bedside pictured above. The insurer thought PDR might save the bedside and contacted me. While the smaller dent was too severe for PDR, the larger one was repairable. Because the smaller dent would have to be repaired conventionally, painting was inevitable for the panel. The larger dent was repaired using the PTP method and finished using conventional repair. The result was that the PDR work cost less than it would have had the large dent been the only one on the panel. The PTP price was \$274, and the body shop repaired the lower dent and repainted the panel. The total job ended up costing about \$1,000 less than if done by all conventional means. There was no delay in waiting for a replacement bedside, and the need for using more natural resources (sheet metal) was avoided.



Availability of PDR Technicians

A Google search of PDR “large dents” yields a multitude of companies that either offer large dent repair or training for large dent repair.

The growth of the PDR industry since insurers mandated that PDR be used for hail repairs means there's no better time to make the change to complete PDR Where Possible Policy. Insurers who adopt and enforce PDR Where Possible Policies create new jobs for the PDR industry and give their customers a superior repair on their vehicles. Many bodyshops realize the value of having their own in-house technicians that are repairing panels with PTP techniques vs replacement of panels.

There can be an adequate supply of PDR techs available for large dents and the insurers have it within their power to adopt the policies to make it so. With adoption of PDR Where Possible Policies by insurers, body shops will employ their own in-house PDR technicians.

Overcoming the Obstacles

Introducing a large dent matrix and procedures raises questions, concerns, and objections from people in the industry. Here are a few of those questions and answers.

Q. What are the benefits of implementing SPDRE large dent matrix into various soft-ware estimating systems?

A. Currently there is no industry standard for pricing large dents for PDR. This makes it impossible for anyone to estimate vehicles with any nationwide uniform standard. Implementing the SPDRE into the various software programs would provide the industry with a much needed solution. I would suggest that insurance companies and body shops will find that the estimating process could be done with the same basic procedures that they have come to rely on now. I believe that autobody software companies would all publish the new pricing system upon adoption by insurers. In doing so they could possibly add thousands of PDR companies and service centers to their marketing base.

Q. PDR techs don't know how to do large dent work. What good is the estimating and pricing system if there is no one to do the work?

A. That may have been true 16 years ago, but today there are PDR technicians and companies available to most every city in the country. Most every new car dealership has access to PDR. In our experience, most PDR techs can learn large dent work in a very short time. When PDR Where Possible Policies become mandatory, it will create an attractive market for them worth learning new skills. If there are no techs who can handle the job, you simply submit a supplement for conventional repair and continue just as you do today. If the customer cashes out, the insurer paid out less money with the original estimate having been written for PDR.

Q. Adjustors and estimators don't know how to estimate large dents for PDR, and won't this increase the inspector/adjustor workload to have to estimate cars this way?

Yes, it probably will at first, but in the long haul it will make his job easier and faster. The adjustor or estimator should enter the dent's information into SPDRE and to check off whether any difficulty factors apply, such as creasing, double panels, etc. With the pricing integral in the SPDRE app the DRP's can easily learn to do estimates and turn in claims just as with conventional repair. Large dent PDR repairs are easy to estimate via photograph. Having photos with the claim helps eliminate the possibility of fraud. Claims can be handled without having to travel to the car for inspections. This method can also be helpful to the insurers in determining when PDR is possible for a repair. If a body shop prefers to do conventional repair on a panel that could be fixed with PDR, the insurer can determine that without having to travel to the repair site. The inspector/adjustor job will get easier when the claims handlers are trained to assess whether a large dent is fixable by PDR or not. Furthermore, SPDRE can develop insurer-specific internet training videos or materials as needed. Plus, it's helping to lower the claims cost and cash-out value. This process gets the vehicle off the books quicker whether it's repaired or not.

Q. *Is it worth it for us to take the time to draft and to implement a PDR Where Possible Policy?*

A. Insurers found it to be worth it for hail damage, saving millions a year in seasonal claims. Large dent repair is not seasonal and a mandate using PDR Where Possible for large dents can save many millions more making full use of PDR across the country in every shop on any given day. It will save time and money on repairs which is extremely important to your insureds.

According to J.D. Power:

“Research has firmly established that lower repair cycle time is one of the key drivers of customer satisfaction with the repair experience and the claims experience drives 48 percent of a customer’s overall impression of their insurer, and less satisfied customers are likely to shop for insurance when their policy expires and are less likely to renew their policies with the same insurer.”

Imagine that PDR Where Possible were to save a \$1000 per body shop per week. If this were the case, a regional insurer with 500 shops would save \$26,000,000 in a year (500 shops x 52 weeks x \$1000). To put it in perspective industry wide, there are about 32,500 body shops in the U.S., as per Info USA. If saving only \$1000 per shop per week, the annual savings, industry wide, would be a staggering \$1.69 billion! Industry statistics say its worth implementing.

Q. *Will PDR techs be willing to repair the larger dents?*

A. I have found that techs like to work on anything they get paid on. They typically don’t get the larger dents to repair because the market is set up to use the conventional methods at body shops. If Insurers create that market for large dent repair using SPDRE, techs will accommodate that market. In other words, with SPDRE, insurers will have an established standard for the value of the large dents just as they now have for hail damage. When Insurers begin to enforce PDR Where Possible for large dents, the techs will be willing to do the work.

Q. *Isn’t it true that many customers simply do not want PDR used on their car, and want a “real” repair instead?*

A. Insurance companies currently tell their insureds that they only repair *hail damaged* vehicles using the PDR Where Possible process, saying that it’s the “better” repair. In the rare instance when a customer thinks the PDR was not a better repair, it’s usually due to a body shop using an unqualified PDR company. If the insurers will approve SPDRE into their programs, it will go even further toward legitimizing PDR as the “real” repair.

Q. *Won’t the body shops be upset that they make less profit from the sublet PDR work than from their own conventional work?*

A. First, who says PDR needs to be sublet labor? I believe that an increasing number of shops will arrange to have their own in-house PDR technicians as the demand is increased by a PDR Where Possible mandate. Further, how does anyone know that shops would make less profit by using PDR Where Possible? Body shops make 56% of their profits on labor vs. 28% on parts. PDR is all labor. In high volume, saving time with PDR is a money maker. A shop only has so many bays, so the quicker a car is in and out, the more revenue can come from a bay. Additionally, with shops trying to come under compliance with the EPA's more stringent requirements for environmental issues, PDR will not only help shops reduce emission levels and better protect workers and neighbors, but also has the potential of saving shops money through reduced material use, hazardous waste disposal, and possibly business insurance cost.

Conclusion

PDR for hail damage and door dings is here to stay. The insurance industry had the foresight to give it a try and it has proved to be a satisfactory strategy for dealing with small dents. It's time to take advantage of everything PDR has to offer. We are saving insurers millions of dollars a year on hail damage repair. We can do the same for large dent repair with the acceptance of a large dent pricing system such as SPDRE, which prices any size dent, whether 100% PDR or Push to paint. Insurers have the ability to create a win/win situation for all involved. Thanks to the existing PDR market, there are many thousands of PDR technicians available who are willing to work with the Insurers on a PDR Where Possible mandate.

Sullivan PDR Estimator (SPDRE) is eager to help the insurers make the transition in any way possible. Please let us know if you have any remaining concerns or questions, or if you perceive any particular challenges that have not been addressed in this paper.