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A Quality Decision Provides:

- A summary of the ____________ to confirm the arbitrator understood the ____________ in dispute.
- The ____________ of ____________ that caused the loss and/or ____________ to show how the arbitrator reached the ____________ ____________ figure.
- An ____________ of the ____________ evidence item(s) — what it ____________ and/or how it ____________ into the decision.

Dispute Types

As an arbitrator, you must be able to determine the nature of the dispute, including the following dispute types:

- __________________
- __________________
- __________________
- __________________
- __________________

Common Damage Disputes

- Parts – OEM vs. LKQ/Aftermarket
- Betterment
- Total Loss vs. Repair
- Rental/Storage

Summary of Dispute

- Identify what is in ________________.
- Disputes can be ________________ and/or ________________.
- Summarize the liability and/or damages theory of ________________ ________________.
Example

Summary of Dispute

Evidence Consideration

Review each piece of submitted evidence carefully.

Evidence Relevance and Credibility

➢ When considering each piece of evidence, consider whether it ____________ to the dispute.

➢ Credibility is the quality of being ________________.

➢ If evidence is relevant and credible, it ____________ a party’s liability and/or damages ____________.

If a piece of evidence is credible, explain why. Conversely, if a piece of evidence is not credible, explain why.

Example of Credibility

When evaluating total loss values, review the following for accuracy:

➢ CCC or NADA Evaluation
➢ Towing
➢ Storage
➢ Taxes
➢ Mileage
➢ Options
Evaluating the Evidence

- Does the evidence support the ______________?
- Are there ______________ within the evidence?

Evaluating the Evidence

\[ R + C = W \]

\[ \underline{\text{_____________}} + \underline{\text{_____________}} = \underline{\text{_____________}} \]

Liability Decision

If liability is admitted, enter the percentage admitted in the first box and enter “liability admitted” or “liability not disputed” in the second box.

Damage Disputes and Rule 2-5

You will commonly handle disputes involving OEM vs. LKQ parts, betterment, labor, towing, and storage. Rule 2-5 specifies how damages must be disputed by a responding company for arbitration consideration:

Please note the “if known” language in the second line of the rule. A Respondent may not know the damages prior to arbitration. In this instance, the arbitrator should still consider a damage
dispute made in the damages area even though the Respondent does not possess the information to provide “disputed dollar amounts” as part of its dispute.

Examples

All Damages Awarded

Reduced Damages Awarded

When selecting Reduced Damages, show the math by itemizing the amounts deducted. The filing company should be able to understand how you calculated the Damages Proven amount.

Burden of Proof

In arbitration, the burden of proof is a __________ of the ______________.

Evidence Explanation

Aim for a concise explanation. A concise explanation:

Conveys much in __________ words and is ________________ in scope.
Elements of a Quality Decision

Before you can explain your decision, you must make your decision:

- Consider _______ arguments.
- Take the evidence presented to you at ___________ ____________.

An arbitrator’s role is to be a neutral “evaluator” of presented arguments and evidence.

- Do not do your own ___________ ____________. Consider only the evidence presented to you by the involved parties.

In the arbitrator role, you are a neutral “evaluator” of the evidence the parties bring to you. Your role is to weigh all evidence when rendering a decision.

- Base your decision on ___________ ____________.

You should base it only on the facts presented and supported.

- Facts = ________________ + ________________.

A contention alone is not considered a fact.

Evidence Explanation

Once you have made a decision, communicate it to the parties.

- State the ___________ item(s) used and what it _______ or didn’t ________.

The more detailed you are when writing your decision and explanation, the less likely the parties will become confused.

- Avoid ____________ statements.

General statements don’t tell the parties anything; draw attention to the items of evidence or other information that played a role in your decision.

- Don’t add __________ that were not raised by ______ party.

As an arbitrator, it is not your responsibility to raise arguments not already submitted. This could be perceived as advocating for one of the parties.

- Don’t suggest ___________ evidence that should have been _________.

Reference only listed evidence and comment on what it contained or what it lacked.
Call ____________ ____________ if unable to ______ a piece of evidence.

You’ll need to confirm there isn’t a file compatibility issue.

Show the _____!

Itemize each part of the damage dispute and identify which items you are allowing and which items you are not allowing or adjusting. Make sure your items add up to the amount of reduced damages you are awarding.

Your decision should be able to be understood by any person at any experience level, for instance, a beginner adjuster versus an advanced adjuster.

**Evidence Explanation**

- Explain your rationale to ______________ ________________.

  Often evidence is not exchanged, so the parties will need to know what the evidence contained.

- Discuss what was __________ or was not ____________.

  The non-prevailing party will want to know what was lacking in its evidence.

**Evidence Explanation Examples**

<table>
<thead>
<tr>
<th>Unclear</th>
<th>Clear</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha’s estimate for OEM parts was reasonable based on the estimate written.</td>
<td>Beta’s estimate for LKQ parts was written three weeks before the vehicle went in for repairs. Beta’s part search did not verify availability of LKQ parts at the actual time of repair.</td>
</tr>
</tbody>
</table>
Composing a Quality Decision

Writing your decision is as important as rendering it. Write your decision in a professional manner. Consider the following:

- Avoid ____________ and negativity; remain neutral.
- Use correct ________________ and ________________.
- ________________ your decision.

Example

Decision Explanation (Detailed Analysis)

![What evidence caused you to render this decision and why?](image)

Beta’s CCC report shows a $14,000 value, indicating "Sedan 4D SXT" as the vehicle type. Alpha’s damage photos show it was a Sedan 4D SE 3.5, and its Total Loss Evaluation (NADA based) also lists a Sedan 4D SE 3.5. Alpha’s total loss evaluation with the accurate vehicle supports its value.

Activity – Render a Decision

Read the following contentions and damage dispute. Render a decision using tips provided throughout this workbook.

Applicant Contentions:

This loss occurred on 5/30/2014 on Rt. 36 in Des Plaines, Illinois. The Applicant (Alpha) was traveling westbound on Rt. 36. Respondent (Beta) pulled from Walnut Dr. in front of Alpha, not yielding right-of-way causing a collision (see police report). Beta is the sole, proximate cause of this loss for inattention. Beta accepted liability but disputes the damages.

Alpha submitted a demand totaling $21,227.59, $300 of which is rental. Alpha paid its insured replacement costs, but Alpha only pursued ACV from Beta. Beta has remitted $20,706.00, leaving a balance of $521.59. Beta has disputed the condition adjustments, storage, and rental.

Alpha used a reputable company to calculate the total loss within industry standards and paid the claim in good faith. The condition adjustment is supported by vehicle photos and is documented on the total loss paperwork submitted as evidence (see appraiser's response).

Alpha paid 15 days of rental at $20.00/day and 9 days of storage at $60/day in good faith and within industry standards. Alpha’s trained and licensed appraiser used due diligence and evaluated Alpha’s vehicle in compliance with industry practices.
Due to Alpha writing a reasonable and fair evaluation, Alpha seeks a full and favorable decision from the arbitrator for the balance of $521.59.

**Respondent Contentions:**

This is a damage dispute only. Please see Damage Dispute Area.

**Respondent Damage Dispute:**

Beta disputes a portion of the rental and storage plus condition adjustments made by Alpha.

Alpha rented a vehicle for 15 days. The date of loss was 5/30/14, and the vehicle was totaled on 6/3/14. Allowing an additional 5 days to settle total loss, Beta paid 10 days of rental considering a reasonable timeline to settle a total loss. **Difference of $26.31.**

Alpha paid 9 days of storage at $60/day for an obvious total loss. Beta paid 7 days of storage at $50/day, which is a reasonable amount of time to move a total loss vehicle. **Difference of $190.**

Alpha allowed $288 for conditions adjustments (glass, sheet metal, headliner, and transmission). The vehicle involved was a 2013 Subaru Forester. The vehicle should already be dealer retail condition, and raising the ACV on a new vehicle should not be considered. **Difference $305.28.**

**Complete the following:**

Alpha proved _____% liability against Beta based on:  __________________________________________

Alpha proved All or Reduced Damages. Damages proven $______________

Explain damages proven (if damages are reduced, explain why):  ______________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Provide an explanation of the influential evidence item(s), what it contained, and/or how it factored into the decision.

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________
Quality Decision Example

Let’s look at two versions of a decision and compare the quality.

Version #1:

The estimate and the rental bill proved the rental was excessive, even factoring in weekends and time to look for a replacement vehicle.

Version #2:

Alpha supported its vehicle was a total loss with an estimate showing the damage exceeded the repairable threshold. Alpha’s evidence supported 12 total days of rental. The rental invoice shows a start date of 6/15, which is the same day the vehicle was inspected and declared a total loss. Payment was issued to Alpha's insured on 6/17, which accounts for three days of rental. A time of nine days for receipt of payment and to finalize a replacement vehicle is reasonable and within industry standards, factoring in weekends.

Alpha did not provide any support to show why an additional nine days of rental would be warranted.

The first version lists the “What,” but does not go into detail with the “Why” or “How.” The second example covers both the “Why” and “How,” which paints a better picture of why the evidence was important.