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## *Why change from traditional appraisal methods*

With the appearance of the automobile, came the need to appraise and repair collision damage to auto bodies and mechanical components. Traditional blacksmiths were the first to do this work, and later, gave way to specialist body shops and paint shops.

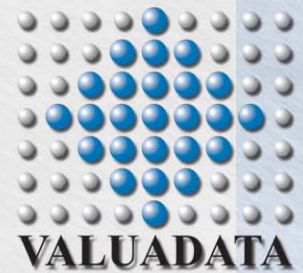
Since those days, repair quotes have been based on subjective personal appraisals and insufficient technical knowledge, due to the rapid technological changes in the structural design of automobiles. Also, without access to reliable financial data relating to the cost of materials, labor procedures and part prices, involved in the repair of the vehicles. Without such information, it is impossible to accurately estimate the cost of an accident.

Nowadays, electronic worksheets are used to facilitate the appraiser job. But still relying in his criteria about times, for labor, and the decision of which part must be replaced or repaired. Part catalogs must be checked to complete the valuation. This way have demonstrated to have the same deficiencies as the traditional appraisals and didn't represent an improval.

Moreover, the personal judgment method of the traditional appraisal has never proved capable of providing additional information to facilitate resource planning and control, or support the establishment of proper policies and guidelines to identify and correct irregularities. Add to this, an even greater operational vulnerability due to high volumes and complexity, as a result of the ever increasing number of insured vehicles and the growing demand for more and better services.

Faced with these problems, the use of high technology operational and administrative resources becomes indispensable if we are to keep claim-related costs under control and face the challenges of globalization in a more professional manner.





## **VALUADATA**, a unique expert system for estimating and appraising collision damage

More than 20 years ago, a *unique expert system* by the name of **VALUADATA** came into operation for estimating and appraising automobile collision damage. A first-rate tool for appraisal and average claim cost control. **VALUADATA** is based on strict repair criteria and technical reasoning to ensure consistency in appraisal results.

Its ease of use, speeds up operations and applies a clear and precise process to the technical and financial results, evaluating the cost of sheet metal, paint and mechanical repairs.

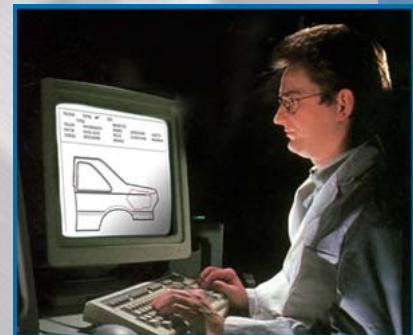
Its ability to combine supplier policies and agreements with each company's individual requirements makes it easily adaptable to users internal operating procedures, while unifying criteria among all users with respect to the balance that should be maintained between repair costs and levels of quality and service to the insured parties and individuals.

**VALUADATA** also takes into account payment of everything covered in the policies, linking the appraisal process with other operational, administrative and accounting processes at user companies, and establishes a complete control over claim handling, to the benefit of the whole company.

The wealth of daily, monthly, six monthly and annual information available through **VALUADATA** inquiries and reports makes administration and resource control easier, and the system's statistical analysis module helps detect and correct irregularities.

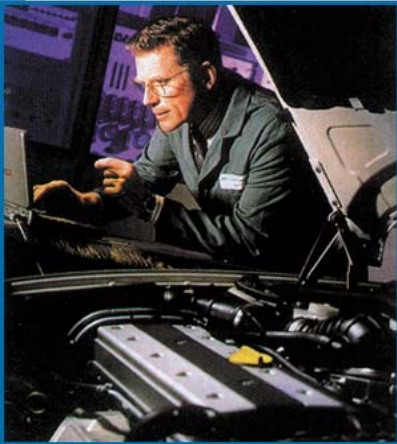
**VALUADATA** is built around a vast knowledge base of technical and financial information, along with extensive experience in the field of automotive engineering, transferred to a high-tech environment which provides for the appraisal of more than 2,900 different domestic and import vehicles, with a 24-year market coverage for Ford, Chrysler, General Motors, Nissan, Volkswagen, Honda, BMW, Mercedes, Audi, Toyota, Renault y Seat.

The power of the **VALUADATA** System derives from its huge database containing images of all automobile parts and standardizing part names, as well as thoroughly researched automotive repair criteria and costs which are updated constantly as changes arise, with due allowances made for regional economic factors where the system is in use. The system takes in account every element of cost and calculates by itself the right amount of them that are to be used during the repair process. Also, it decides which parts are to be substituted or repaired, depending on its damage conditions, parts price and supplier policies, defined by the user.

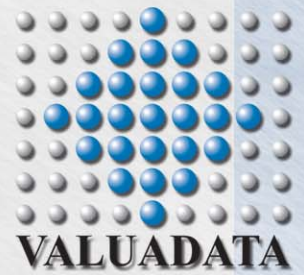


## *Benefits obtained from the implementation of the VALUADATA System*

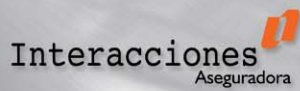
- Improved service and image of the insurance company.
- Rapid training and immediate implementation in operation.
- Ease of operation and high accuracy in appraisals, without the need to consult catalogs for parts and prices, using standard names and understandable images.
- Control and standardization of labor and replacement parts costs, in body work, refinishing and mechanical repairs.
- Complete appraisals drawn up swiftly, providing greater accuracy in setting aside reserves, minimizing financial costs.
- More reliable data for determining total losses.
- Installable on desktop or portable PCs to carry out appraisals in regions without service centers, and even at the site of the accident.



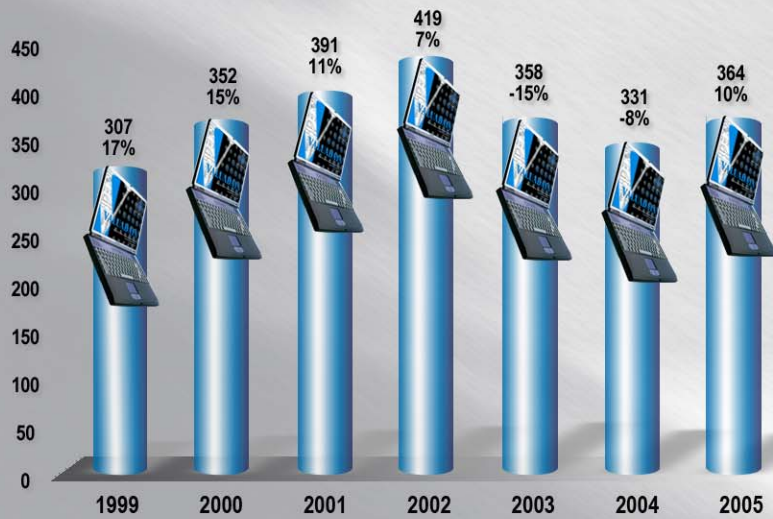
- Continuous and timely database updates through **ValuaNet**, our own digital communication network.
- Improved technical support and advice.
- Low service cost; minimal operational facilities and resources required .
- Flexibility to adopt user company operational policies and agreements.
- Wide variety of queries and reports, some of which, like the appraisal report and purchase order, are issued automatically. These provide a better control over work ordered from repair centers and parts to be supplied, and eliminate the manual completion of many printed forms.
- Audit trail of operations in the form of images and notes makes supervision and technical auditing a simple matter.
- Full statistical reporting for thorough operations analysis.
- Subjective criteria are eliminated from appraisals by applying technical criteria based on the policies and service needs of each company.
- Financial results of appraisals cannot be manipulated, avoiding the possibility of creating personal interests.
- Other intangible benefits.



# VALUADATA Market Share

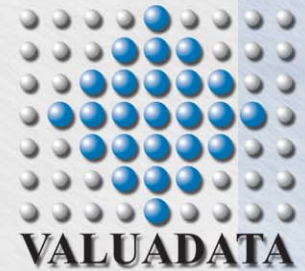


### CAPACITY OF INSTALLED COMPUTERS



### ANNUAL APPRAISALS PERFORMED





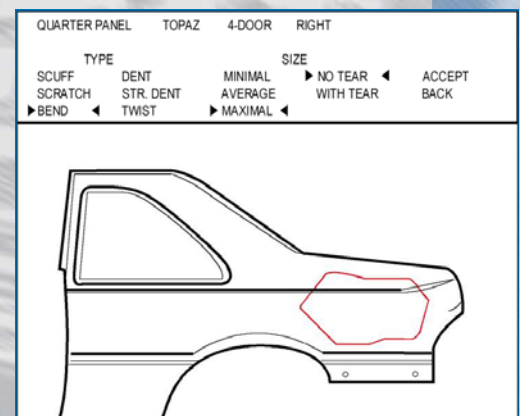
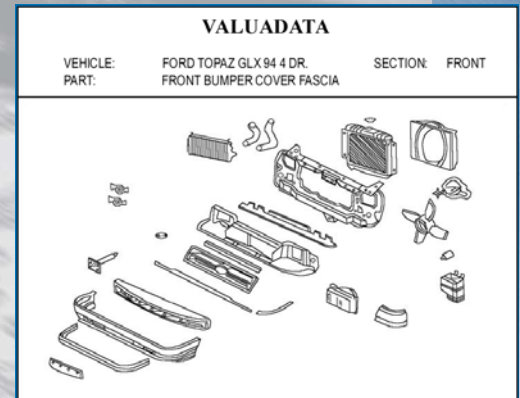
## How does the VALUADATA System work

The user sums up the damage of the vehicle involved in the collision quickly and simply. The data are fed directly into the computer, which shows, on-screen, the different sections of the automobile with images of each repairable or replaceable part, ready for evaluation of bodywork, refinishing and mechanical damage.

The appraiser selects damaged parts from the vehicle sections and later draws the damage in the image of the repairable parts. No labor time or costs are fed to the System.

The interpretation and marking of the damage fed into the computer are processed using clearly defined appraisal criteria, based upon technical analysis. Cost and the decision of repair or replace calculations are generated by the System in a matter of seconds, according to the policies and service needs of each user company.

The appraisal results are presented in the form of labor reports or work orders for repair centers, as well as purchase orders or requisitions for the parts required. These documents are assigned to the user companies officially authorized suppliers. All this information is consolidated for further reporting through the different system modules.



VALUADATA		11:48:24
** (COMPANY NAME) ** - MEXICO		
APPRAISAL # 13	APPRAISAL REPORT	UNIT 500
SHOP:	PEPE'S AUTOBODY REPAIR	ZONE: FABER HEIGHTS
ADDRESS:	123 WJEFFERSON	ADJUSTER: CHRIS OCTON
LIABLE PARTY:		TYPE: A
INCIDENT:	123354	AGENT #: 66
POLICY #:	15407 RISK	LICENSE #: 987 2YX
AGENCY:	041	ENGINE #: MADE IN MEXICO
AUTO:	CHRYSLER CIRRUS SEDAN 97 4-DR	TELEPHONE: 555-55-55
FED. VEH. REG.:	MADE IN MEXICO	DATE: 03/25/98
INSURED:	SAFETY SYSTEMS, INC.	TONES: 1
THIRD PARTY:		INSD/THIRD: 1
APPRAISER:	JOHN SMITH APPR	
PAINT:	2 & 3 COAT METALLIC LUSTER	
COLOR 1:	GOLD	COLOR 2:
-----		
DESCRIPTION		
COST OF REPAIR		
TRUNK LID 94-97		\$ 1,692.65
REAR BUMPER FASCIA		
LEFT QTR PANEL		
REAR BUMPER REINF.		
COST OF REPLACEMENT OF PARTS		
TAIL LIGHT LENS, LEFT		\$ 807.43
MOLDING, BUMPER, REAR		
TAIL LIGHT HOUSING REINF.		
INDIRECT COSTS		
		\$ 262.00
	SUB TOTAL	\$ 2,762.08
	DEDUCTIBLE	\$ 3,000.00
	TOTAL	\$ -237.92

## *Technical foundation of the VALUADATA System*

The principal technical features that make **VALUADATA** a unique system in the world market are the following:

- A database of more than 2,900 vehicles, with a total of over 1,800,000 body and mechanical parts, including images, part numbers, descriptions, origins, prices and official supplier discounts.
- Images of each and every one of the repairable and replaceable body and mechanical parts, giving the operator a better logical perception of the damages as well as the correct size and position of the affected areas, thus enabling the computer to accurately estimate the cost of the accident.
- More than 20,000 repair and rebuilding "recipes", including labor times, materials, equipment, sub-contract work, sub-assemblies, operating costs and profit required for repairing different possible types of collision damage, with an average of 40 variables on each. This eliminates the subjectivity inherent in traditional personal appraisals.
- More than 10,000 fitting and painting recipes that include material and labor requirements for painting the necessary parts and areas according to every possible damage scenario, including allowances for the different color matching and refinishing systems applicable to all vehicle models on the market.
- Over 5,000 mechanical recipes, including labor, materials, equipment and special tools required for replacing damaged mechanical elements.



- A data bank of more than 200,000 procedures with times and sequences for the removal and refitting of every part needing to be removed in order to replace or repair damaged body and mechanical parts, according to their position and degree of damage.
- All this analysis is provided separately for each area or critical point of the affected parts. The system also shows different degrees of reparability according to structural designs, size, thickness, part materials and repair procedures.



## Additional information provided by VALUADATA

### 1 Query and Report Module

VALUADATA offers a wide range of information through its screen inquiries and printed reports that are distributed at different points of the operation according to the user's requirements and level of responsibility.

- Queries and reports on labor for bodywork, paint and mechanical repairs, to place orders for the work with repair centers.
- Queries and reports on purchase orders for body and mechanical work, to obtain parts from suppliers.
- Browse automobiles in the system.
- The VALUADATA System operating manual.
- Query appraisals performed in previous months.
- Query and report of appraisals performed daily.
- Query parts affected in accident.
- Query damage assigned to each affected part.
- Query the quantity and total value of appraisals performed.
- Query discounts negotiated with authorized parts suppliers.
- Other queries and reports.

MFR. CODE	GRP/SEC	ORIGIN	DESCRIPTION	QTY	PRICE
04630159	5038-071	1	TAIL LIGHT LENS, LEFT	1	970.00
04603423	5090-047	1	MOLDING, BUMPER, REAR	1	204.30
TOTAL					1,174.00

\* \* PRICES DO NOT INCLUDE TAX \* \*  
PUB. 01/01/98

APPROVED: \_\_\_\_\_

DESCRIPTION	AMOUNT
COST OF REPAIR	\$ 1,692.65
TRUNK LID 96-97	
REAR BUMPER FASCIA	
LEFT QTR PANEL	
REAR BUMPER REINF.	
COST OF REPLACEMENT OF PARTS	\$ 307.43
TAIL LIGHT LENS, LEFT	
MOLDING, BUMPER, REAR	
TAIL LIGHT HOUSING REINF.	
INDIRECT COSTS	\$ 262.00
SUB TOTAL	\$ 2,262.08
DEDUCTIBLE	\$ 3,000.00
TOTAL	\$ -237.92

## External and Complementary Appraisal Module

The **VALUADATA** expert system offers an external and complementary module that allows the recording of all payments pertaining to the same incident according to the coverage provided in the policies, providing a reliable measurement and analysis tool that gives total control over suppliers, invoices and payments.

The importance of this module makes possible to determine the total accumulated cost and history of the claim as an overall figure, or report the allocation of each individual item



### *Applications:*

- Regional office claims
- Tractor-trailers (heavy equipment)
- Uninsured vehicles

### *Coverage included:*

- Theft
- Total losses
- Tow truck costs
- Adjuster costs (fees)
- Medical and hospital costs
- Third party liability: property
- Third party liability: death or invalidity
- Special equipment
- Deductible, tax and bond refunds

### *Information provided:*

- Query and report of settlements by incident and type of coverage.
- Query and report of all settlements by type of coverage.



**VALUADATA** provides a valuable periodic information system through its statistics module, which enables the analysis of trends and behavior of the different cost items compared to previous months, in a detailed or global form. This is a marvelous tool for planning and decision making, offering a variety of formats showing different information:

*By analysis type:*

- Analytical statistics
- Executive statistics
- Summary statistics (exception reporting)

*By information breakdown:*

- By region.
- By office.

*By analysis period:*

- Monthly
- Six monthly

*By coverage:*

- Body and paint
- Collision mechanics

*Statistics offered:*

- Analysis of costs and coverage
- Appraisals by financial ranges.
- Appraisals by type of collision.
- Appraisals by days and times.
- Appraisals by make.
- Appraisals by time span.
- Appraisals by appraiser.
- Appraisals analyzed six months on.
- Parts and labor supplier analysis
- External appraisals by office.
- External appraisals by coverage.
- Trends and forecasts
- Other statistical reports and graphs.



## 4

## Policy Module

All calculations performed within the **VALUADATA** System are governed by a policy parameters module, that regulates the flow of operational processes and the cost and quality of service to insured parties.

Each user company can determine the following, depending on the vehicle type and if it is the insured or a third party vehicle:

- The level of labor, according to the assignation of vehicle models and the category of repair centers
- The criteria for repairing or replacing parts, taking into account their origin and maximum reparability, in the light of company's financial requirements or service targets.
- Authorized suppliers of parts based on the vehicle, make and model, and the type of customer.
- Discounts by brand and location, in accordance with the agreements signed between companies and vendors.
- The origin and quality of the parts to be supplied, based on the service criteria established by the user companies.

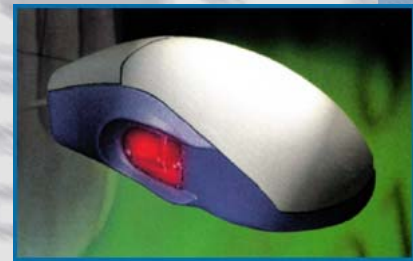
All of the above eliminates subjective, personal influence from such important decisions by applying the same guiding criteria to all claims, based on company policy.



## 5 Security and Control Measures

The **VALUADATA** System provides users with comprehensive security and control measures. These restrict access to certain functions, for different levels of personnel, in the client organization. The level of access determines if the user is empowered to authorize the appraisal or other transaction according to previously determined levels of authorization established by company policy.

The system also provides for better supervision of operating personnel and technical audits, based on the queries and reports issued by the system.



## 6 ValuaNet, Digital Communication Network

**VALUADATA** boasts an efficient digital communication system through which, information is interchanged and updated on a daily basis among each company's service stations and the master **VALUADATA** server.

In this way, when users connect to the network, all the system database files are automatically updated if needed, with the latest information, so guaranteeing the highest standard of reliability in both technical and market information.



Although it is transparent to the user, a daily backup process also takes place at this time, for information in the form of both images and alphanumeric data. All daily operations are protected with this process.

Consolidated information on the master server is also available for query through on-line statistics process, which provides a daily analysis of operations and claims.

**ValuaNet** also provides a permanent e-mail support service for our users having questions about the operation of the system, as well as an information channel providing the latest market news, training calendars, advertising and technical bulletins.

Different configurations have been designed for accessing the network from practically any location, keeping the portable stations independent for mobile appraisals.



## 7 Interchange of information with user companies' own systems

**VALUADATA** permits both on-line and off-line data interchange with each user company's administrative systems, so providing global integration of operations, avoiding duplication of data entry tasks and allowing input information to be validated.



## Support services

1

### Ongoing Training

**VALUADATA** has developed a complete Ongoing Training program aimed at personal from all levels of the client organization. This guarantees correct use of the system and achievement of objectives.

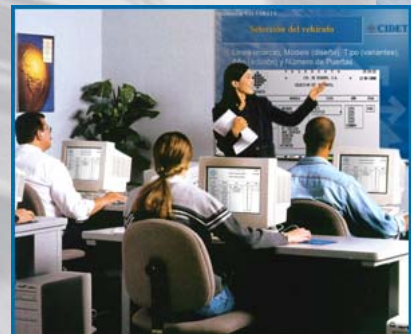
The program consists of courses and seminars designed and prepared to meet comprehensive education, through a combination of improving technical knowledge and developing professional ethics.

Theoretical courses are delivered using training materials with a high level of instructional content, presented through multimedia and interactive exercises with the latest concepts combining theoretical and hands-on exercises.

Practical lab sessions take advantage of the very latest equipment available on the world market, in our modern and spacious purpose-built facilities at the **CIDET**, Technology Research and Development Center, also part of the **VALUADATA** group.

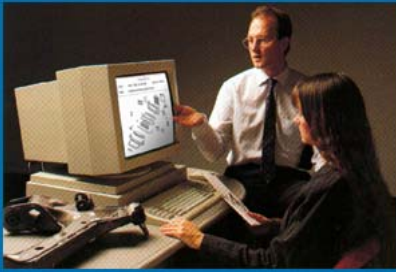
The following is a list of some of the training courses offered to both the insurance sector and repair centers:

- Courses for Appraisers and Adjusters.
- Courses for Supervisors and Managers.
- Seminars for Executives.
- Courses to train sheet metal work technicians.
- Courses to train paint technicians.
- Courses to train mechanics.
- Courses to upgrade technical skills.



2

## Ongoing Support and Advice



The **VALUADATA** user can always count on complete and professional technical support at the time it is needed to carry out the job correctly, either remotely through **ValuaNet**, or directly at the user's facilities. A team of highly trained personnel is always on hand to resolve any technical or operational issue which may arise.

3

## Technical Reviews

**VALUADATA** also offers a Technical Review service to companies that require it and request it as an option. This service consists of an exhaustive statistical analysis of operations to detect areas where there is room for improvement and recommend the best possible solutions to senior management.

4

## Continuous Review of In-Service Units

Both the expert system (software) and the computer equipment (hardware) are subjected to periodic reviews with the aim of guaranteeing that in-service units are in an optimum state of readiness at all times. A detailed report of the status of the unit is provided to both the user and senior management, along with recommendations regarding maintenance or necessary component replacements.



**VALUADATA** makes available to its users the only countrywide database of repair shops and distributors, containing in depth evaluations and classifications of the technical and service levels provided by each supplier. Parameters taken into account range from facilities and equipment to the technical capacity of the personnel and level of service. These factors are measured and updated via an excellence program established by **VALUADATA** to improve productivity and competitiveness.

These results are extremely useful when it comes to select the most suitable repair shops in terms of the company's service requirements for insured parties. Levels of labor by customer type and vehicle model are also more easily determined according to the company policies defined in **VALUADATA**.

Principal Parameters of the National Survey of Dealerships and Repair Shops

*Repair shop image*

- Service attitude.
- Time in business and background.
- Location and physical appearance.

*Customer Service*

- Quality and on time delivery.

*Services to Insurance Companies*

- Administrative setup.
- Office equipment.

*Shop infrastructure*

- Shop capacity.
- Technology level of equipment.
- Technical level of personnel.

*Value added services.*



## Companies behind the VALUADATA system

The **VALUADATA** concept was conceived and developed in Mexico by *Sistemas de Valuación 2001, S.A. de C.V.*, a company which has been a leader since 1986 in the development of solutions for insurance companies.

Through its **Operations Division**, *Sistemas de Valuación 2001*, offers to **VALUADATA** users, all the services and support directly related with operating the system, and is always looking to meet the needs and requirements of insurance companies and the repair related market.

The **Systems Division**, handles the ongoing development and optimization of computer based technology and integrated communications for **VALUADATA**.

The **Automotive Engineering Division** researches and updates the costs database and provides a constant flow of specialized information to enrich the **VALUADATA** technical knowledge base.



Our *Technology Research and Development Center, CIDET*, also provides valuable input to the **VALUADATA** System through research, experimentation and technological development, and effectively directs and promotes cultural change within the industry with its ongoing technical training programs.

Technical methods and procedures are also established for automobile repairs at the **CIDET**, under new quality, productivity, workplace safety and environmental philosophies for implementation in repair centers and for the benefit of all parties in the automotive field, from insurance companies to private vehicle owners.

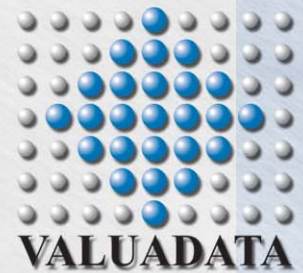
Our *Technology Research and Development Center* is considered unique in the field for its objectives, facilities, high-tech equipment and research projects.



Administration of the **VALUADATA** Group's assets and real estate is handled by another company in the same group, *Inmobiliaria Administrativa VALSI, S.A. de C.V.*

Finally, *Valuaciones Electrónicas, S.A. de C.V.* is the company responsible for taking care of marketing and contractual, tax and financial matters for the **VALUADATA** Group.





**SISTEMAS DE VALUACION 2001 S. A. DE C. V.**

Zaragoza # 1300 Sur, Edificio KALOS A3-301  
Monterrey, Nuevo León

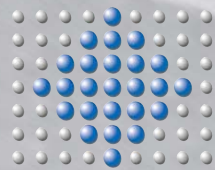
México.

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e-mail: [siva@valuadata.com](mailto:siva@valuadata.com)



# CIDET

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