

ABAC NEWS

March - April
2016

President's Message

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Non-OEM Part



Hyundai Genuine Part

ABAC Quarterly Meeting Draws Over 150 Attendees!



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ABAC Quarterly Meeting Draws Over 150 Attendees!

Information, Education Highlights Evening’s Topics

Many associations thrive when their members support their organization with passion. The Auto Body Association of Connecticut is certainly setting the standard for organizational support with the massive showing of membership and members-to-be at their recent Quarterly Membership Meeting at the Country House Restaurant on March 8th.

Over 150 attendees came out to see what the ABAC has been offering with its educational and informational seminars. Members and guests certainly weren’t disappointed as the speakers offered training, education and solutions to many of today’s most challenging problems in the collision repair industry.

ABAC President, Tony Ferraiolo, kicked off the evening by thanking attendees for being there and showing support for the Association. Attendance was at near record levels. ***“Tonight is about tools. Everything discussed tonight will be designed to provide you with viable ways to make more money for your business. No one should be telling you how to run your business. Please enjoy tonight’s speakers and I’m sure that you will leave tonight with different ideas, better ways to run your business, and solutions to help your bottom line,”*** said Ferraiolo



President Ferraiolo also took a moment to thank ABAC News Supporting Advertisers, ABAC Corporate Sponsors and a special thank you to the **ABAC’s New Diamond Sponsor, The Hoffman Auto Group** represented by their **Wholesale Parts Director John Musco**. The Hoffman Group has stepped up in a major way not only offering great service but financial support to the ABAC. President Ferraiolo reminded everyone to **“Support Those Who Support You!”** President Ferraiolo also encouraged everyone to check out the new **ABAC News**, which recently added more content, color and a new Supporting Advertisers Directory.

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Tony then thanked the sponsors for the evening:

Primary Sponsor:

- Buckley & Wynne – Connecticut Personal Injury Attorneys
 - John M. Parese, Esq (ABAC Legal Counsel)

Co-Sponsors:

- Enterprise Rent-A-Car
- Auto Body Supplies & Paint
- Corporate Business Solutions

Continuing on, Tony announced: *“Tomorrow is a hearing at the Legislative Office Building on the double taxation issue. I know everyone here knows what I’m talking about with the paint and materials are being taxed when you buy them and taxed again when you sell them to the end user. I will be testifying in Hartford at 11:00am. ASA of Connecticut will also be testifying to let the legislature know that this double taxation is not fair. Hopefully the lobbying that we have been doing for over a year on this issue will be fruitful.”*

Our first guest speaker was **Gene Tye of Corporate Business Solutions** whose presentation was *‘Inside the Red Zone’, Exit Strategy Planning for Body Shop Owners*. **Gene addressed the question: Are you building a business worth selling, and if so how do you maximize the valuation of your business?**

Up next was ABAC’s **Legislative Director Bill Romaniello** who read the Anti-Trust Disclaimer for attendees and encouraged everyone to pay attention to the upcoming speakers, who were sure to be dynamic and helpful.



After dinner, returning to the podium, President Ferraiolo then introduced **ABAC Legal Counsel and Primary Sponsor for the evening, John Parese of Buckley & Wynne**. John thanked Tony for the introduction and thanked the attendees for coming out in force for such an important event. *“I am here tonight in a different capacity than usual. Tonight, I’m here as a Sponsor. Unlike most times when I speak, I’m hoping that you’re not all asleep,”* joked Parese. (For those of you who know Mr. Parese, he is the Master of Pun and dry humor!) He continued, *“Should you or any of your employees or customers need a personal injury lawyer, please don’t hesitate to call. We are a relatively small boutique injury firm.”*

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Every case is handled personally by a partner. We don't just get you in, cycle you to a paralegal and forget about you. We don't operate like that. We take great pride in providing a high quality of service to every client. That level of quality, I believe, is what's helped foster the great relationship we now enjoy with the ABAC. Much like your shops, we can't succeed without delivering a quality product." Parese gave everyone a gift bag containing an Insurance Claims Directory and Auto Rights and Responsibilities Booklets.

The Rights and Responsibilities booklets can be given to customers; it walks them through everything they need to know after an accident. If you would like more booklets or you would like to contact John, please email him at jpase@buckleywyne.com or call 800-445-2278.

Mr. Parese then introduced the main speakers for the evening, **Tony Lombardozi and Peter Abdelmaseh, co-founders of Superare Marketing & Advertising based in Belmont, Ma.** They are Industry Advocates for Independent Shops. **Tony** has managed and owned an auto body repair shop since the 1960's and serves as President and stockholder of the Coalition for Collision Repair Excellence (CCRE), a well-regarded consulting firm in the industry. **Peter** has owned an auto parts and paint jobber operation and served as Executive Director of a statewide auto body association, covering a span of over 30 years in the industry.



Peter Abdelmaseh

Peter was first up to the microphone giving an overview on what would be presented for the evening. Says Peter, **"This is a quote that we have been using in our seminars, 'The auto body industry in the United States is the only 60-billion-dollar industry that sells its products and services for 30 billion dollars.'" He continues, "We believe auto body shops price their products and services for half-price and we all know why but it doesn't have to be that way and there are people around the country who are realizing this. Tony Lombardozi was perhaps the best known practitioner of the method that we work with for individual shops to begin to turn this around. Tonight is an overview of two full day seminars that we have presented in the past. One of them is called "Short Pays" which is the other half of that 60 billion dollars. The other seminar is called "The True Cost of Labor and the True Cost of Your Labor Hour."** Peter then had attendees sign up to get on Superare's mailing list and 2 flyers for their upcoming seminars.

Peter then introduced his business partner, Tony Lombardozi, who gave us a brief bio of himself. Tony then presented some of the strategies that would be covered during the evening:

- You have the right to a profit
- Your profit and owner compensation should be between 25-40%
- This is achieved by being in control of your own business
- You need to create an end to end strategy
- Make good decisions and stick with the strategy



Tony Lombardozi

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- **Getting the price that you need to make a solid profit**
- **There may be a difference between what you need to charge and what you're being reimbursed. (This is known as "Short Pay")**
- **Litigation may be the only alternative until the system changes**
- **Charging the right price**
- **Must know the true cost of everything and set a retail price**
- **You need to know that you can set your own prices**

Says Lombardozi, *"Tonight's presentation will introduce you to the main elements of these strategies. Some of you will agree, while some of you will have questions. But, these are tried and proven strategies.* Lombardozi went on to command the attention of the room for the next 90 minutes, and for the entire time, you could hear a pin drop.

Superare will be holding two major seminars in the upcoming weeks. The first seminar, **"Collect Your Short-Pays Successfully"** will be held on Saturday April 23rd, 2016 at the Best Western Hotel, 201 Washington Ave., North Haven, Ct. The second seminar, **"Running a More Profitable Body Shop"** will be held on Saturday May 14th at the same location. Both are full day seminars that run 8:30 AM to 4:30 PM. Cost of each seminar is \$249.00pp and \$179.00pp for additional shop attendees. Breakfast and buffet lunch is included. You can contact Superare Marketing at their Belmont office Monday through Friday between 9:00 AM and 5:00 PM (EST) at 617-993-6901 or by email: tony@superaremarketing.com and peter@superaremarketing.com.

President Ferraiolo closed the evening, once again thanking the sponsors and speakers. The ABAC will continue to provide quality education and looks forward to keeping this momentum going forward at the May meeting.

Please join us for our Annual Meeting in May. Watch for more details.

Submitted by Don Cushing





Aftermarket vs. Imitation

I recently attended the Northeast tradeshow in Secaucus, New Jersey. At the tradeshow, they had a Northeast Leadership Forum. Several ABAC Board of Directors and I participated in the meeting. The AASP Association of New Jersey asked all association leaders to ask a question. I thought about that for some time and what I came up with was, why do we give non original equipment parts a label of aftermarket?

I want everyone to use the proper terminology for these parts and that is **IMITATION**.

The mechanical industry uses aftermarket mechanical parts. These parts are shocks, struts, brake components, oil filters, etc. The Consumer already knows the term aftermarket; their mechanic has used that term forever.

As collision repair shops, we use the same term to describe the NONOEM collision repair parts. By doing so, we are helping insurers justify the imitation parts they are suggesting their customers use in repairing their vehicles.

“OEM parts”, defined as Original Equipment Manufactured to the same specifications as the original vehicle. They usually bear the vehicle manufacturer’s name or insignia. They are not necessarily manufactured by the company that produced the vehicle. However, any part bearing the OEM identity is manufactured to OEM specifications regardless which company manufactured it.

Imitation, as defined in **Webster’s Dictionary**© is **“the act of imitating; that which is made or produced as copy’s likeness; a counterfeit”**. Another Webster’s Encyclopedia Dictionary© defines it as something **“produced as a copy; a likeness; a counterfeit.”** Still another Webster’s Encyclopedia Dictionary© defines it as something **“produced as a copy resembling something else of a superior quality; such as imitation leather.”**

These definitions are “spot on” in my mind. When any company tries to duplicate and produce a part by not following OEM specifications, the result will undoubtedly only “resemble something else of superior quality,” because these parts try to duplicate OEM parts. **They are imitation, not aftermarket.**

Per CT Motor Vehicle Statute 14-65H, repair shops must give customers an invoice listing the status of any parts used in the repair such as used OEM, rebuilt, aftermarket, imitation, etc.

Imitations have consistently been proven inferior to OEM’s. So when shops use inferior parts, they should be listed as **“IMITATION”**, not aftermarket.

A special thanks to Al Porcelli, Founder of Central Avenue Collision Works, Inc. in NY for clarification of this issue and his hard work making sure shops understand the difference.

IMITATION NOT AFTERMARKET

President - Auto Body Association of Connecticut

Women's Industry Network Expanding Nationally

Founded in 2006 by a small group of women, the Women's Industry Network (WIN) began with the goal of greatly enhancing the collision repair industry and the role of women within it. Through education, networking, and sharing resources, WIN does exactly that.

WIN provides great leadership opportunities through their Board of Directors and various committees. Nationally engaged in its campaign through the association's leadership, WIN is comprised of volunteers who donate their time and talents in an effort to grow the organization. WIN holds annual educational conferences and developmental sessions in an effort to engage and educate women about the different opportunities in the industry. Not only does WIN award scholarships to students and professionals, but they also recognize exceptional women in the collision repair industry through their Most Influential Women (MIW) program.

On February 18th, co-chairs of WIN's membership committee, Michelle Sullivan and Mary Kunz conducted a webinar expressing the desire for all participants to learn something new about WIN. According to Sullivan, there are a variety of ways to get involved. If members want to help advance the organization's strategy and further its direction, they can join one of the following committees: Scholarship, Industry Outreach, Membership, Communications, Sponsorship, Strategic Planning, Governance and Conference Planning. Sullivan noted, "There's a lot of talent in this industry and getting involved with WIN helps industry engagement and improves retention."

Over the past few years, WIN has increased its visibility by attending many national events. This year will be the first time WIN makes an appearance at AASP/NJ's Northeast Conference and Tradeshow. WIN saw a 29 percent membership increase over 2014 with 478 members at the end of 2015. Looking ahead, WIN plans to enhance its member profiles in order to focus conference sessions on specific segments of the industry.

Kunz said, "It's a unique experience to be in a room filled with women from this industry. The camaraderie is great. I got hooked at my first conference and have been a member since. It's a wonderful opportunity to grow myself professionally and personally. Attending a conference will serve you well."

Sullivan and Kunz encouraged participants to save the date for WIN's 2016 Educational Conference to be held May 2-4 in Tampa, FL with the theme, Power of the Past and Force of the Future. WIN memberships run from January through December and are available online for \$75 annually.

Submitted by

Ashely Burzenski

Autoworks of Westville

**Information, education, dedication.....
that is what the Auto Body Association of Connecticut is all about!**



Managing Stress



If you work in the auto body repair industry, in almost any capacity, chances are you are confronted by a host of daily stressors. You are likely trying to please customers, whilst keeping employees busy and under control, whilst taking on some headache or other, whilst taking on two other headaches; and as this is going on, you are likely being frustrated by a cadre of insurance appraisers looking to underpay you by about 50%. This industry challenges repair shop owners to delicately balance the rigors of running a business (including most importantly, keeping customers happy) with the unique challenge of securing adequate payment from a broken system designed to systematically underpay most everything you do. Juggling all of these competing interests and making it all work is no easy feat. No matter your disposition, chances are you are operating under a layer of stress. Whether you appreciate it or not, it's there.

According to the American Psychological Association, short term stress can contribute to “headaches, stomachaches, sleep disturbances, short temper and difficulty concentrating.” Chronic stress, on the other hand, can result in “anxiety, insomnia, high blood pressure and a weakened immune system. It can also contribute to health conditions such as depression, obesity and heart disease. Compounding the problem, people who experience excessive stress often deal with it in unhealthy ways such as overeating, eating unhealthy foods, smoking cigarettes or abusing drugs and alcohol.”

In 2012, 65 percent of Americans cited work as a top source of stress, according to the American Psychological Association's (APA) annual Stress in America Survey. Only 37 percent of Americans surveyed said they were doing an excellent or very good job managing stress. While we can't eliminate stress from our jobs, we can certainly take steps to help manage it.

The American Psychological Association suggests the following to help manage stress:

- **Track your stressors.**
- **Develop healthy responses.** Instead of attempting to fight stress with fast food or alcohol, do your best to make healthy choices when you feel the tension rise. Exercise is a great stress-buster. Yoga can be an excellent choice, but any form of physical activity is beneficial. Also make time for hobbies and favorite activities. Whether it's reading a novel, going to concerts or playing games with your family, make sure to set aside time for the things that bring you pleasure. Getting enough good-quality sleep is also important for effective stress management.
- **Establish boundaries.** In today's digital world, it's easy to feel pressure to be available 24 hours a day. Establish some work-life boundaries for yourself.
- **Take time to recharge.** To avoid the negative effects of chronic stress and burnout, we need time to replenish and return to our pre-stress level of functioning. This recovery process requires “switching off” from work by having periods of time when you are neither engaging in work-related activities, nor thinking about work.
- **Learn how to relax.** Techniques such as meditation, deep breathing exercises and mindfulness (a state in which you actively observe present experiences and thoughts without judging them) can help melt away stress. Start by taking a few minutes each day to focus on a simple activity like breathing, walking or enjoying a meal. The skill of being able to focus purposefully on a single activity without distraction will get stronger with practice and you'll find that you can apply it to many different aspects of your life.
- **Get some support.**

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There's no magic bullet to reducing stress. But, recognizing stress exists and attempting to manage it will improve your health and quality of life. Strong mental and physical health may be the greatest contributor to overall happiness. And who among us doesn't deserve a little happiness every now and then?

Now I know it's unlikely that after reading this you will all go forth to incorporate all of these great stress relieving techniques. I get it. Writing this, I'm reminded that it's a lot harder to practice what you preach. With that said, I think we could all benefit from really working at: (1) getting more sleep; (2) exercising more; and (3) learning how to say "no" when we need to. Do these three things and I can assure you: a waterfall of calm and serenity will wash over your workday like a spring shower. And, if all else fails, try kicking an old tire as hard as you can.

John M. Parese, Esq. is a Partner with the law firm of Buckley & Wynne and serves as General Counsel to the ABAC. Buckley & Wynne maintains offices in New Haven, Hartford and Stamford, and services clients throughout all of Connecticut. The opinions set forth in Attorney Parese's articles are for education and entertainment purposes only, and should not be construed as legal advice or legally binding. If you have any questions or concerns about the content of this or any of Attorney Parese's articles, you are encouraged to contact Attorney Parese directly.

Connecticut Considers Legislation to Eliminate Double Taxation on Paint and Materials

On March 9, the Connecticut Joint Committee on Finance, Revenue and Bonding held a hearing on Senate Bill 335 (SB 335). The bill proposes to eliminate the sales and use tax on goods used exclusively in a business process such as paint in materials. The bill would help clarify the sales tax treatment of paint and materials. A Department of Revenue Service ruling led to collision repair facilities being charged sales tax on paint and materials that had previously been classified as a sale for resale.

Speaking on behalf of the bill, Lisa Siembab, executive director of the Automotive Service Association of Connecticut (ASA-CT) said, "Collision repairers in the state of Connecticut have been unfairly penalized by an interpretation of the law that allows paint and materials to be subject to double taxation. ASA-CT believes that the current law does not take into consideration the evolution of industry practices, and we think that SB 335 is a good first step toward lifting this unnecessary burden on small businesses and their customers."

In a letter of support submitted to the Committee, ASA also described how taxation of paint and materials is unfairly applied when shops purchase it, and again when they sell it. It also explained that today's auto body repair business practices, related to the purchase of paint and materials, works to the advantage of vehicle owners or consumers and the environment, i.e. purchasing and mixing what is needed.

The Auto Body Association of Connecticut (ABAC) also supports the legislation. In testimony submitted to the committee by Tony Ferraiolo, president of ABAC, he explained that the association's members would like the state to return to prior practice regarding the taxation of paint and materials. "On behalf of our member shops and the collision repair industry at large in Connecticut, the ABAC would like to continue to ensure that when paint is purchased from a wholesaler, that purchase would be considered a "sale for resale", as it has been in the past."

In September, [ABAC called on legislators to address the double taxation of paint materials used in collision repair before the Connecticut General Assembly State Tax Panel.](#)

Hyundai launches ad campaign against non-OEM parts

By John Huetter

Right on the heels of the PARTS Act hearing in Congress, Hyundai on Wednesday formally announced a new email and video ad campaign touting the benefit of OEM parts. The ad campaign will appear on Hyundai's YouTube channel (Good timing; people might be still checking out its Super Bowl ads.) and Hyundai's Consumer Awareness site. Hyundai will also spread the message to its vehicle owners via email.

The first video, "Don't Gamble with Counterfeit Parts" appeared Monday. As of about 1:10 p.m. Wednesday, it'd posted 2,008 views. (Some of which were us, of course.) It features a roulette wheel with the red and black slots labeled with parts classifications like "grey market," "aftermarket," "counterfeit," and "salvage." "When it comes to repairing your car after a collision, you don't always know where your parts are coming from," a narrator states. "It's a gamble." It displays a "Non-OEM" part malfunctioning and sending an airbag wrapping around the fact of a crash-test dummy. The malfunctioning part wasn't disclosed, but presumably it's related to the airborne airbag.

Anything other than new or recycled airbags (themselves controversial) are illegal, and counterfeit airbags have been recognized as a threat by the NHTSA, according to the 2012 Edmunds piece which does a nice job summing up the issue. Other OEMs have focused on how airbag timing or crash-energy direction can be thrown off by a non-OEM part, such as a component on a bumper assembly.

"Counterfeit Hyundai parts have been a growing problem over the last 30 years," Hyundai customer satisfaction Executive Vice President Frank Ferrara said in a statement Wednesday. ***"Customers would see short-term savings after their vehicle was repaired, not even aware that non-Hyundai parts were used to bring these repair costs down. Short-term savings can have adverse long-term implications on the vehicle and passengers, which ultimately ends up costing more. Consumer awareness is essential to addressing this issue and Hyundai is willing to do its part. The more people who understand the dangers behind using non-Hyundai components and see the benefits of purchasing original parts, the less likely they are to suffer severe consequences and lose value on their car. Safety and trust are paramount to our brand, which is why we are launching this campaign to encourage everyone to purchase original parts, every time."***

Hyundai also plugged its own repair network, the Hyundai Recognized Collision Repair Center program launched last year with Assured Performance. Its Consumer Awareness site now has a locator tool to find Hyundai certified shops.

"Simply ask your collision repair center if they're a Hyundai Recognized Collision Repair Center," it states on its Consumer Awareness website. ***"These centers have been factory-certified as having the right facility, training, equipment and tools to properly repair your vehicle with Hyundai Genuine Parts."***

Customers still might not have a choice outside of going out of pocket. Apparently, not many read their insurance fine print, which allows the insurer to mandate non-OEM parts. ***"Unfortunately, many customers tell us they are not aware that anything other than Hyundai Genuine Parts would be used to repair their vehicle after a collision,"*** Hyundai wrote in a brochure available on the consumer site.

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Hyundai encourages drivers to ask for an insurance rider mandating non-OEM parts and to request them as well during the repair. While not outright criticizing insurer direct repair network shops, Hyundai notes their existence but advises drivers to shop around and ask their dealership and family and friends for recommendations, too. The campaign was Hyundai's third to support collision repairers, dealerships and owners, the OEM wrote. It follows the repair network and the 2014 launch of the Hyundai Go Genuine Collision Conquest program.

PA Senate Approves Amended Photo Appraisal Bill

Legislation amended to require physical inspections when disputes arise.

Pennsylvania approved an amended version of House Bill 1638 (HB1638) on March 23 by a vote of 47-1.

HB1638 proposes to amend the 1972 Motor Vehicle Physical Damage Appraiser Act to eliminate the requirement for physical inspections and remove restriction upon the use of photographs to estimate vehicle damage.

Section 11(c) of the Appraiser Act currently requires a personal inspection in the preparation of an estimate stating, "No appraiser shall secure or use repair estimates that have been obtained by the use of photographs, telephone calls or in any manner other than a personal inspection." HB1638 proposes to eliminate that requirement by replacing Section 11(c) with the following:

An appraiser may prepare a repair estimate obtained by personal inspection or by photographs, videos or telephonic means. An appraiser may not require the SUBMISSION OF photographs or videos in order to obtain an appraisal. AN APPRAISER, OR AN INSURER AS PART OF THE APPRAISAL PROCESS, SHALL DISCLOSE TO THE OWNER OF THE VEHICLE THAT THERE IS NO REQUIREMENT TO SUBMIT PHOTOGRAPHS OR VIDEOS IN ORDER TO OBTAIN AN APPRAISAL.

The bill was amended before the floor vote in the Senate to include revisions to section (E) that requires prompt inspections of supplements to include:

SUPPLEMENTAL REPAIR ESTIMATES THAT BECOME NECESSARY AFTER THE REPAIR WORK HAS BEEN INITIATED DUE TO DISCOVERY OF ADDITIONAL DAMAGE TO THE MOTOR VEHICLE MAY BE MADE BY PERSONAL INSPECTION OR BY PHOTOGRAPHS, VIDEOS OR TELEPHONIC MEANS, PROVIDED THAT IN THE CASE OF DISPUTED REPAIRS A PERSONAL INSPECTION SHALL BE REQUIRED.

The requirement for a physical inspection on disputed claims is similar to the amendment included in legislation [recently passed in Virginia](#) allowing the use of photos during the appraisal process. The bill has been opposed by Pennsylvania Collision Trade Guild who testified against the legislation [during a hearing before the Senate Banking and Insurance Committee](#).

The measure now moves back to the House of Representatives that will need to consider the Senate's amendments prior to adoption. The House is currently in recess and will reconvene on April 4.

Shop of the Month & Meet Your Board of Directors Town Line Body Shop

Town Line Body Shop is a collision repair and restoration shop located in Monroe, Connecticut. We service the Bridgeport, Easton, Redding, Trumbull, Newtown, Monroe, Bethel, Shelton, and Danbury areas so no matter where you are, we will service you. **Town Line Body Shop Inc.** has been at the same location for over thirty years. With management staff that have been involved in hands on repairs for just as long, they can proudly boast that they have some of the finest auto body technicians in the state of Connecticut.

Ron Poidomani Sr., owner, has been in the collision industry since the late 1960's when he was an apprentice at the dealership body shop, Curtis Ryan then moving to Steller's Auto Body before opening his current business, Town Line Body Shop in 1975. Ron Sr. is a State of Connecticut licensed automotive appraiser. He has also served on the Board of Directors for the **Auto Body Association of Connecticut** for over 15 years. Ron tells us that he would attend meetings with the ABAC and saw that the association had a great deal of involvement with the collision centers with education and consumer protection. At that point he was asked to serve on the Board and his input to the ABAC has been welcomed and valuable. **Ron Sr.'s** knowledge of the automotive industry and handling of customer insurance claims has proved to be an asset to Town Line's customers. **Ron Poidomani Sr.** is committed to providing you with a quality repair.

With his great experience in collision work and auto body painting, **Ron Poidomani Jr.** takes care of overall shop operations, including making sure that the shop has all the latest technology to support the work – from procuring the best paint – Sikkens – to having the latest and greatest framing, estimating and other equipment needed to exceed your expectations.

Richard Reyes has been part of the Town Line team for over 13 years now. His experience in the collision industry and with customer service has proven him to be a valuable part of the Town Line team. Richard is trained as one of Town Line's Service Writers and Collision and Auto Body Technicians. He also runs the workflow and production in the body shop as well as the paint shop. Richard personally performs every quality control check for all customer vehicles. His strict quality control check not only ensures that the customer's expectation is not only met, but exceeded.

Their goal is that you will be so satisfied with their collision repair and restoration service that you will feel confident to highly recommend them to your family and friends. Town Line's years of experience enable them to have an edge over the competition and deliver outstanding customer service. As their customer, you will receive the finest quality repairs and services, which are guaranteed in writing.

We at the ABAC would like to wish Ron Sr. & his team much success in the future!



Louisiana Bill Requiring OEM “Safety Parts” Approved by House Committee

Bill seeks to regulate the use non-OEM anti-lock brake parts or airbag system components and prohibit insurance companies from requiring them on repairs. Bill also changes non-OEM crash parts disclosure requirements.

The Louisiana House of Representatives Commerce Committee yesterday voted to approve an amended House Bill 559 (HB 559) that seeks to revised Chapter 41 of Title 51 of the Louisiana Revised Statutes to regulate the use of non-OEM safety parts during insurance paid collision repair. The amended bill was approved by a vote of 10-6 in the committee.

Introduced by Representative Vincent Pierre, the bill defines safety parts as any components used in the anti-lock braking systems or airbag restraint systems. The bill also seeks to modify consumer disclosure requirements on non-OEM crash parts.

Among numerous edits to Louisiana’s non-OEM parts disclosure laws, the bill proposes to amend §2424 of Chapter 41 of the Louisiana Statutes governing non-OEM part disclosure by adding provisions stating:

- No insurer shall require or authorize the use of anything other than OEM aftermarket safety parts in the repair of a claimant’s motor vehicle.
- No repair facility or installer shall use anything other than OEM aftermarket safety parts to repair a vehicle, unless OEM aftermarket safety parts are not commercially available to the repair facility or installer.

If the OEM parts are not commercially available the estimate would have to indicate what non-OEM safety parts were used and include the following disclosure:

“This estimate has been prepared based on the use of safety parts supplied by a source other than the manufacturer of your motor vehicle. Warranties applicable to these replacement parts are provided by the manufacturer or distributor of these parts rather than the manufacturer of your vehicle.”

The bill also makes revisions to Louisiana’s existing non-OEM parts disclosure law by changing the word “insured” to “claimant” and applying the prohibition to any claimant.

The bill also seeks to amend Louisiana’s existing non-OEM crash parts disclosure requirement, that currently specifies a written disclosure to include that the notice must be made in advance of repairs being undertaken.

The bill also proposes to add enforcement provisions to the law. Currently, violations are enforced as unfair trade practices. The bill proposes to add laws applicable to repair facilities to the enforcement provisions.

The bill now goes to the full House for consideration and a floor vote.

Source: www.collisionweek.com

Mitchell: Don't Lose Out By Omitting the 'Forgettables' On Estimates



Mitchell recently released a free checklist of “[forgettables](#)” — items estimators might neglect to include even if shop technicians will actually do the work — and it’s something you’ll want to [download](#) regardless of which information provider you use.

“But if you don’t remember to pay close attention to these seemingly minor collision shop estimating details, **you** and your auto body shop could probably forget about turning the kind of profit you’d like to see come the end of the year,” [Mitchell wrote in February](#). (Emphasis Mitchell’s.)

“... Forgettables are all the additional parts, operations, services, and procedures performed during a repair that an auto body shop often overlooks. They’re the items that a shop could ‘forget’ to list—on a collision repair estimate.”

The need for such “forgettables” can vary depending on a particular repair; for example, removing mud flaps or fitting non-OEM parts. Thus, they’re often non-included operations on a estimating service like Mitchell, CCC and AudaExplore. Without the hedge of IP inclusion, staff’s knowledge of these items becomes even more crucial to avoid missing out on legitimate revenue or expense recoupment.

Mitchell cited a [2009 Auto Body Repair Network column](#) by now-Crash Co Vice President Kevin Mehok, who described research finding shops missed at least \$35 an estimate in “forgettables.” “That may not sound like much, but when you figure that one of the groups fixed 12,000 vehicles in one year, that number suddenly becomes \$35 x 12,000, or \$420,000,” Mehok wrote. “Remember, if you can justify it, you can charge for it.” Mitchell also cited a [2015 FenderBender Management Conference presentation](#) by Ron Reichen, owner of Precision Paint & Body, which noted paint and materials costs had risen 50.5 percent between 2005-2013, while repairer compensation only rose by 23.9 percent.

“Neglecting to charge for these type of items and services, as their costs to your business continue to rise, could have a severe impact on your shop’s bottom line,” wrote Mitchell, which sells a paint and materials calculator as a means of ditching the imprecision of a paint and materials hourly rate. (And even the obsolete, flawed P&M rate has increased much more than the body, frame and paint labor rates over the past five years — 1.8 percent on average compared to 1.2 percent for the other three — according to [CCC’s 2016 Crash Course](#).)

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Mitchell lists dozens of “forgettables,” broken out by categories like labor rate type. Here’s a list of examples the company highlighted in February:

| | | |
|-----------------------------|----------------------|-----------------------------|
| Align sheet metal | Drill time | Remove decals |
| Mini bulbs | Wheel weights | Cleanup broken glass |
| Seat belt tensioners | Rustproofing | Undercoating |

One way to deduce other “forgettables” might be to assemble your own checklist of your IP’s non-included items and start there.

Source: www.repairerDrivenNews.com

UPDATE: Geico says fax, email supplements still OK, 60% non-DRP shops already use portal.

In light of recent collision industry related news releases, the Auto Body Association of Connecticut would like to offer an alternate thought process on the “business as usual” for an insurance supplement and any/all procedures for communicating the need for supplemental estimating by an insurer.

In an updated press release from Geico corporate, provided via Repairer Driven News (RDN), Geico spokesperson used wording such as: “accepting faxed or emailed supplements”, “supplement request for our mutual customers”, “submitting a supplement request on behalf of a customer”, “in which the shop and insurer haggle over the work”, “adjuster visits the shop and they negotiate the supplement damage request”.

The ABAC cautions that wording like this is misinformation provided by insurers to intentionally restrict and control multiple aspects of shops operating procedures and business model.

Many bodyshops believe they do not have a choice but to follow the supplemental procedures spelled out on most insurer’s estimate. If they do not adhere to the instructions provided, the insurer has the right to deny compensating for any costs beyond the dollar amount of the original insurance estimate. The ABAC strongly disagrees with this position!

There are tools and procedures available to counter the insurer’s attempted control of your business and profits!

If you are looking for alternative solutions to regain control of your shop and profits from insurer influence, The ABAC has solutions for those willing to be part of taking back your business! We are offering and sponsoring an educational seminar to give you access to information to change the status quo of insurers controlling your shop & profits.

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