

ABAC NEWS

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2017

Mike Anderson Teaches and Preaches to
ABAC Attendees at Sold Out Meeting



“Your Car, Your Choice!”

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AASP/NJ & SCRS Hold Annual Leadership Meeting/Forum

The Alliance of Automotive Service Providers/New Jersey (AASP/NJ) and the Society of Collision Repairer Specialists (SCRS) once again co-hosted their annual East Coast Resolution Forum & Leadership Meeting at this year's NORTHEAST 2017 Automotive Services Show. The meeting, moderated by NYSACT / LIABRA Executive Director Ed Kizenberger, drew over 45 attendees.

AASP/NJ is celebrating 40 years of the Northeast Tradeshow and 30+ years of the East Coast Resolution Forum & Leadership Meeting. That's many years of history! The Leadership Forum presents the chance for a productive discussion that benefits the entire industry in the long run.

Aaron Schulenburg, Executive Director for the Society of Collision Repair Specialists (SCRS), led us with the Pledge of allegiance and then thanked everyone for being here to represent the Automotive Industry.

Through feedback from previous events, the decision was made to limit the attendance to shop owners, association members and industry leaders. This would be more about participation amongst associations and members. So here we were in 2017 with the core audience of repairers without press coverage to hopefully encourage more sharing of their issues. And share they did.

Many decided to either speak individually or on behalf of their association.

Ed Kizenberger began with introductions around the room and then read the Anti-Trust Statement. Mr. Kizenberger then gave a brief history of the leadership forum and how it had grown since its first introduction by members of the NY associations over 25 years ago. Since then, invitations have been opened to other associations throughout New England and this year even drawing from other areas across North America.

Leaders from these associations then shared and discussed concerns, issues and challenges that they and their members face, to see if anyone else has these same issues and how they go about solving or making changes to these issues.

The group spent nearly three hours discussing and listening to the daily struggles that shops deal with on a regular basis including success stories and how they achieved their goal(s).

It appeared that this change in format went over quite well with the attendees since everyone seemed to be more forthcoming and vocal about their business challenges.

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It is this person's opinion that this format should continue going forward. I believe it will grow and draw more attendees just due to this implementation of change. Shops should have an arena to discuss their concerns candidly and the Leadership Forum will continue to be that arena.

The Auto Body Association of Connecticut (ABAC) would like to thank Ed Kizenberger, Aaron Schulenburg and Tom Greco Publishing for allowing our association to share our notes from this meeting in this publication.

Legislation to Eliminate Insurance Company Vendor Requirements Reintroduced in New York

Would prohibit requirement that collision repair facility use a specific vendor or process for parts or materials purchases.

A bill that would make it illegal for insurance companies to from requiring repair shops to use specific vendors or processes for the acquisition of collision repair parts and materials has been reintroduced in New York. Assembly Bill 6861 (AB 6861), introduced March 22, proposes to amend Section 1, Subsection (a) of Section 2610 of the New York insurance law that today makes it illegal for an insurer to require a specific repair shop. Identical bills were proposed in New York's 2013 and 2015 legislative sessions. The bill was one of several around the country supported by collision repairers and their associations in the wake of State Farm's May 2013 announcement of a nationwide rollout of the PartsTrader procurement system to its direct repair facilities.

The proposed language below for the subsection adds a prohibition against specifying vendors or processes. The text in all capital letters includes the proposed amendment:

(a) Whenever a motor vehicle collision or comprehensive loss shall have been suffered by an insured, no insurer providing collision or comprehensive coverage therefor shall require that repairs be made to such vehicle in a particular place or shop or by a particular concern, **NOR REQUIRE A REPAIR FACILITY TO USE A SPECIFIC VENDOR OR PROCESS FOR THE PROCUREMENT OF PARTS OR OTHER MATERIALS NECESSARY FOR THE REPAIR OF A MOTOR VEHICLE.**

The bill has been referred to the New York Assembly Committee on Insurance.

According to Ed Kizenberger, Executive Director of the New York State Auto Collision Technicians Association and the Long Island Auto Body Repairmen's Association, the associations continue to support the legislation and believe changing vehicle technology is making it more important that collision repairers have control over parts procurement. "We want to make sure our member shops can fix vehicles the way they need to be fixed," said Kizenberger. "As vehicle technology continues to advance, this bill is more important today than ever. Advance driver assistance systems and other safety features in today's cars play a role in parts choice that collision repairers are best able to judge for themselves."

Source: www.RepairerDrivenNews.com



ABAC President Tony Ferraiolo Know Your Numbers

I just recently attended a seminar, put on by a major paint company. I've been in the auto body business a long time. That is itself a problem. We get complacent and we sometimes follow the path of least resistance. We did it all, we know it all and we have seen it all. I'm here to say I learned a lot about what I didn't know enough about.

With the ever-changing automobile, equipment, training and increased cost of everything, you need to know today what it cost you to produce a product. Most of us today don't know what it truly cost us to just break even, not even produce a profit. Some four years ago we did our numbers and determined at that time what our labor rate should be posted at.

That being said I'm embarrassed that was four years ago. A lot has changed in my business and that rate needs to be evaluated on an annual basis. When you realize that the costs associated with equipment, training, payroll, insurance, taxes, etc. don't seem to be going down, then why are our labor rates the same all over the state? It doesn't make any sense, but that is what the insurance industry would like you to believe. To many shop owners just concede to whatever they are told is a rate.

You need to determine your costs. Gross profit, net profit, turn key costs, etc. It's not hard to determine your numbers. Your accountant can compile all the data necessary to determine your true costs. Your paint company can help you with spread sheets with the data that needs to be filled out.

Now let's talk about Certified Repair, employee training and proper equipment. All this just to be able to repair current model year vehicles? Some is a choice, most is a necessity. I will tell you that training must be figured into your cost of doing business. It is ongoing and you will not believe what it's actually costing you. And yes, your labor rate should reflect your cost of doing business.

This segment alone is mind blowing, when you determine what training alone is costing you. The old days are gone and so will your business if you don't determine your true costs. Once you determine your costs, you will realize that there is no one rate that fits all. Once you are educated on your true cost, you will be able to defend your costs. When you are in the right, based on facts, it's easy to stand your ground and collect what is owed to you.

Your customers need to be informed of what you need to be compensated for. Remember, repair cost is your customer's responsibility. The insurance company owes your customer not you. Keep that separate and you will be able to determine what short pays you need to address with your customers. You could choose to work for free or bill accordingly.

Our Department of Insurance has quoted me, "If your customer is not harmed, then there is no problem". If you absorb the costs not reimbursed from an insurance company, than there is no problem. Continue to do this and you will not survive the future of this industry.

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In 2017 make a decision to learn what it costs you to produce your product. Price it accordingly, based on facts and professional advice. Contact your paint company for help to determine your numbers and let you know where you match up to other shops that are your size. Repair vehicles properly and safely based on OEM repair procedures and collect what is needed to do it.

Hope to see everyone on May 9th at the Foxon Country House for a “hands on” educational meeting “ARE YOU REALLY THE ONLY ONE?”

Watch for the ABAC Flyer for details.



President
Auto Body Association of Connecticut



Scans hot topic, but I-CAR stresses calibration of vehicles as well

Though scanning (and getting paid to do it) has been one of the hottest topics in collision repair, an I-CAR expert said that auto body shops must also calibrate the systems they’re scanning. Scanning is like an X-ray of somebody’s aching, possibly broken arm. It tells you what’s wrong — yes, the arm is broken. But it doesn’t actually fix the problem. Calibration is like setting the fracture to ensure the bone heals straight. Scanning, “clearing the codes,” and doing body and electrical work on the car without actually calibrating its systems is like taking the X-ray and immediately slapping a cast on the arm without setting it. The bone might heal straight, it might not. More high-profile today, but needed for years

Because of this distinction, I-CAR has worked over the past year to provide the industry with resources to understand the concept of calibration, which might extend back further than a shop might think. For example, the need to reset a passenger seat air bag sensor dates back years. OEMs were required to phase in “advanced air bags” between the 2003 and 2010 production years, and NHTSA says such technology first appeared in 2004. Wheel alignment giant Hunter Engineering has pointed out that electronic stability control on common vehicles might require a steering sensor reset dating back to at least the 2000s. The government required electronic stability control as of 2012, but also has posted lists of mainstream and luxury manufacturers offering it standard or optional dating back to at least 2005.

With advanced driver assistance systems like lane-keeping and autobraking, miscalibration or failure to calibrate will be much more visible to the vehicle owner. The car might fail to stop for a collision — or perhaps stop for nothing. I-CAR industry technical relations director Jason Bartanen recalled a situation in his native Wisconsin where a camera on a vehicle was aiming too high — “shooting over the top” of the car in front of it. “It would never see a vehicle in front of it,” he said. Or perhaps the vehicle would stop under an overpass, mistaking traffic up there for an obstacle on the road below, he said. To that end, I-CAR late last year created a calibration resource portal for shops, where they can get a sense of some of the ADAS options available standard or optional for the 2016 and some of the 2017 model year.

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However, it doesn't contain some of the older technology that might need calibration, nor does it tell you exactly what's on the car — only what might be. For these reasons, it's crucial that a shop obtain the build data — an OEM's guide to exactly what it put on a specific vehicle VIN, Bartanen said. Shops can look this up through an OEM website. Estimating services might have VIN lookups, but these systems can sometimes miss options, according to Bartanen.

Best practices

As I-CAR points out, an OEM's repair procedures trump any other instructions or best practices. In the case of scanning and calibration, don't forget that a lot of those instructions are contained on the mechanical service and repair side of OEM repair information sites, according to Bartanen. (Which might explain why some shops didn't know to scan until OEMs hit them over the head with position statements in 2016.)

A shop with an OEM technical information subscription will get both mechanical and collision repair procedures, Bartanen said. However, a shop which solely buys the ALLDATA collision module or relies on free collision body repair information from FCA and General Motors might not have the mechanical instructions they need. Such a knowledge gap affects which repairs the shop is qualified to do and which ones will have to be sublet to be done correctly. That said, a repairer can have a good general checklist as to how he or she should be managing vehicle electronics by studying the scanning and calibration best practices I-CAR published on its Repairability Technical Support Portal in January.

"This is not an I-CAR document," Bartanen said of the best practices, nor is it "Jason's opinion." Instead, he stressed, it was developed and vetting with input from the "inter-industry" referenced in the I-CAR acronym. That "inter-industry" includes interests like auto body shops, OEMs, scan tool manufacturers, and insurers, Bartanen said. That hopefully will give a shop and adjuster butting heads over calibration a common frame of reference that's been supported by both industries.

Bartanen said the document "very nicely" complements I-CAR's 2016 release of definitions of terms like calibration and pre- and post-scanning — important, distinct concepts which can be confused.

"A lot of those terms are being intermixed together (in the industry)," he said.

While I-CAR focused on ADAS, Bartanen said the outline/checklist would apply to "anything else that might throw a diagnostic trouble code" — for example, the airbag occupant sensor described above.

The I-CAR best practices guide can be found here on RTS, which is free to I-CAR students and Gold Class/Platinum facilities/staff and available to everyone else for a day pass or annual subscription.

In coming stories, we'll examine some of the concepts described within I-CAR's best practices guide. Stay tuned.

Source: www.repairerDrivenNews.com

Distracted Driving – Something to Think About

John M. Parese, Esq, ABAC General Counsel



I recently joined a movement known as EndDD.org or End Distracted Driving. The founder is a lawyer by the name of Joel Feldman who lost his 21-year-old daughter, Casey, in a motor vehicle crash at the hands of a distracted driver. Since then, Joel has given more than 400 presentations to raise awareness and to educate children about the dangers of distracted driving.

Joel is now teaming up with trial lawyers across the country to train them on how to give effective presentation at local high schools and community centers. I am educating myself on the risks of distracted driving and preparing to speak at local high schools on the subject. Candidly, I did not appreciate how dangerous or how deadly distracted driving was. But after reviewing the data and listening to Joel speak, I

find myself very much concerned about the very real and prolific safety threat distracted driving presents.

Distracted drivers on America's roads cause a minimum of 3,100 deaths and over 400,000 injuries each year. Researcher David Strayer of the University of Utah found that talking on a cell phone quadruples your risk of an accident, about the same as if you were driving drunk. That risk doubles again, to eight times normal, if you are texting. Sending or receiving a text message distracts a driver for about five seconds; at highway speeds, that represents a distance of about 300 feet in which the car is essentially out of human control, driving itself.

Many of us have children that are driving, or will soon be driving. Thanks to advancements in mobile communications, today's young drivers are confronted with greater distractions than ever before. This is particularly forbidding when considering that the leading causes of death for the teenage population for the past seven years has been motor vehicle accidents. I think that bears repeating: the leading cause of death for teenagers is motor vehicle accidents. While young drivers clearly make up a vulnerable population, the campaign to end distracted driving is directed at all drivers, young and old. Everyone is susceptible to driving distracted, and I think we can all agree to that.

In short, I submit this article in hopes that you will give a second thought to being a more careful driver and in hopes that you will discuss the dangers of distracted driving with your kids. To learn more, go to EndDD.org.

John M. Parese, Esq. is a Partner with the law firm of Buckley Wynne & Parese and serves as General Counsel to the ABAC. Buckley Wynne & Parese 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.

Editor's Note: Please refer to Attorney Parese's legal analysis concerning the "Use of Insurance Estimates" which has been provided as an insert in this newsletter. This legal opinion has already been a national subject and is gaining ground. Use it in your shop! More information will follow.

Mike Anderson, Collision Advice, Attracts Connecticut State-Wide Collision Shops for 2nd Presentation

Over 130 attendees gather for more from one of the best in the country.

When you're on a roll and everything is working like a finely tuned engine, you make no changes. That's what's going on right now with the Auto Body Association of Connecticut.

Members and guests once again trekked to the Country House Restaurant in Foxon to listen to our guest speakers deliver more training and information to keep them moving forward in this ever-changing collision industry. And everyone left the event armed with more knowledge and information to help them keep their momentum.

ABAC President Tony Ferraiolo welcomed everyone to the meeting then went through the order of events that would follow. Ferraiolo began, as usual, by thanking everyone that was involved supporting the night's meeting:

Major Sponsors:

- **Axalta - Darryl Hoffman, Mario DiScioscia and Kelly DiScioscia**
- **Albert Kemperle - Rich Perry, Sean VanDale, Joe Nunes, Denise Cassarino, Jeff Peters, Willie Anton, Chris Masi and Mike Starz**

Co-Sponsor:

- **Enterprise**
- **Forrest Law - Matt Forrest**

Tony also recognized the **Hoffman Auto Group** and John Musco their Wholesale Parts Manager for their ongoing **yearly Diamond Sponsorship**.

- **Knight Street Auto - Norwalk**
- **Mirabelli Automotive - Newington**
- **Cargill Chevrolet - Putnam**
- **Elmwood Automotive - West Hartford**
- **Academy Auto Sales - Forestville**

Tony also thanked the **new Supporting Advertisers** for the ABAC News:

- **County Line Nissan - Premier Kia - Sherwin Williams - Auto Data Labels**



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Tony then thanked **Don Cushing from the Bald Hill Auto Group** for his involvement designing, formatting and producing of the ABAC News and Dave Fogarty from the **Lorensen Auto Group** for his sales leadership with the ABAC News Advertisers Directory. Says Tony, ***“I want to thank Don and his contributions to the ABAC News, which improves with each issue, the great information inside to help members stay on top of their game and for the quality and look of the ABAC News. I’d also like to thank his associate Dave Fogarty for doing what he does seeking out new advertisers that help support the ABAC.”***

Tony also thanked Fogarty for his help with the Consumer Bulletin being placed on a foam-backed board which is free to all shop to place in their waiting area for customers to see.

Once again attending the event that evening was the President of the Auto Body Association of Rhode Island (ABARI), **Randy Bottella, Reliable Collision Repair**, West Warwick, RI and Board of Director **Tony Victoria of Auto Service Auto Body**, North Kingstown, RI. They were joined by members of the Alliance of Automotive Service Providers of Massachusetts, **Mike Panacho of Mike’s Auto Body** in Fall River, Ma. and **Domenic and Cyrilla Valarioti of Central Auto Rebuilders**, Marlborough, Ma.

Before dinner we heard from **Matt Forrest of Forrest Law** who gave us a presentation on “Short Pay”. Matt gave a little bio on himself and presented the benefits his firm could offer members of the ABAC. ABAC Board of Director Tony Cavallaro from Airport Rd. Auto Body came up and offered a testimonial to Mr. Forrest after using his firm for a short pay claim. For more information on Mr. Forrest’s presentation contact <http://matthewforrestlaw.com/>

We then heard from **Tony Lombardozi**, President of CCRE and Co-Founder of Superare Marketing & Advertising. Lombardozi mentioned two Superare Short Pay Seminars that will be held in Connecticut in the coming months. Watch for details. He also mentioned the AASP/ NJ Northeast Trade Show being held on March 17-19.

ABAC Legal Counsel, John Parese then gave a legal analysis to members on **“What is an insurance estimate and what is its value?”** ***Great information for members who attend. You learn, you apply, you move forward in your business.***

After dinner, President Ferraiolo introduced our featured guest speaker for the evening, Mike Anderson, President/ Owner of Collision Advice. This was Mr. Anderson’s second consecutive ABAC Meeting.



CollisionAdvice is a full service Autobody Collision Consulting company that offers assistance in the following areas but not limited to: Accounting-Financial, Marketing, Estimating-Damage Analysis-Management-Lean-Production-Cycle Time- and much more, visit their website at www.collisionadvice.com

For those who were not at the first presentation, Mike gave us a short bio on himself and his endeavors before getting right into the meat of his presentations.

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“I travel around the country, I do classes on behalf of Axalta Coatings Systems such as Estimating, Sales & Marketing, CSI Classes, etc. I also facilitate 20 Groups for Axalta Coating Systems which is where shops owners who are not competitors get together on and quarterly basis and I’m like a business coach for them to help them improve their business. I also have a team of several young people that work with me and we travel around the country and work with shops to help them improve their processes.”

This was basically the beginning format of Mike’s last presentation and then gave us more information. Now, moving on Mike says, **“In order for a business to THRIVE, not just SURVIVE, you need to focus on the Three Major Areas of the Three-Legged Stool! Sales & Marketing, Production and Finance & HR.”**

On Screen, Mike then gave us the following info on “who do we serve and what do they want”:

- Consumers
 - Trust - Empathy - Direction
- Insurers
 - Service - Speed - Accuracy
- OEMs
 - Safety - Brand - OEM Parts

From a recent Assured Performance Survey, consumers were given a survey asking this question: **What is most important to you when choosing a body shop for collision repair? The body shop is...?**

- a) Certified by my vehicle manufacturer
- b) Recommended by my insurance company
- c) Recommended by friends/family
- d) Geographically convenient for me



52% of consumers chose, **“a) Certified by my vehicle manufacturer.”**

Says Mr. Anderson, **“This was an “ah-ha” moment for me. Why do the OEM’s care? One of the things I’ve been doing the past year is I’m now working directly with 7 OEM manufacturers. And I can tell you absolutely, unequivocally without a shadow of a doubt that the OE Manufacturers are going to be more involved in this repair industry that you’ve ever seen since you’ve been alive. And I can tell you that it’s the one main reason and I’m gonna give you a statistic and you might want to write this down. “Y’all with me yes or no? 60% of all consumers who have a problem in a body shop, either their car is not fixed right, the lights don’t work, the paint doesn’t match, whatever the case may be, 60% of those consumers who have a problem with that body shop will trade or sell their car within one year. And 63% of that 60% will change vehicle brands. They may go from a Toyota to a Honda or a GM to a Chrysler or a BMW to an Audi which means these vehicle brand manufacturers lose out on all those potential mechanical repairs to that car. So, the single most important reason you will see OE Manufacturers get more involved in your industry or our industry is because they want to protect their brand.”**

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Mike continued by listing many the OEM's that now have apps and technology in their vehicles that will immediately interact with the driver and occupants to figure out whether they need immediate assistance, the current damage to their vehicle (by on-board vehicle diagnostics) and if the customer has a collision shop in mind. **If not the first responder on their on-board system will recommend the closest Certified OEM Collision Shop!**

At this point, Mike gave updates on the 2016 Who Pays for What Survey.

Mike Anderson fielded questions from attendees and provided them with tools to begin making more money in their business. Mike reminded us to visit his website CollisionAdvice.com and get all the information that you need to be successful in your business. Read it, research it, apply it. It will work!

The value of attending these ABAC meetings cannot be measured. There is a lot of information that is discussed during our meetings that you won't see in the ABAC News. It's information that you need to be successful.

The ABAC continues to bring in guest speakers and industry professionals from throughout the country who are willing to share their knowledge, expertise and processes with ABAC Members to help make their businesses more profitable. The Auto Body Association continues to make their mark nationally in the Automotive Industry by offering this type of knowledge and education to their membership. Be a part of the Auto Body Association of Connecticut. Feel free to reach out to any of the Board of Directors listed on the back page of this newsletter. Contact them. It will forever change the way you think about your collision industry!



Latest “Who Pays for What” quarterly survey asks shops about body labor billing and insurer payment practices

A record 84 percent of shops who took one of the quarterly “Who Pays for What?” surveys earlier this year said they have been able to use previous such surveys to improve their business. That’s a statistic making Mike Anderson of Collision Advice, creator of the surveys, pretty happy as the latest of the surveys, covering body labor operations, opens now through April 30.

“In the past, we’ve typically about 70 percent of participants tell us the surveys are helping their business.” Anderson said. “The fact that a growing number now report the surveys are helping makes me very proud. Knowledge is key in this industry.”

The current survey, conducted by Crash Network and Collision Advice, asks shops about their billing practices – and insurers’ payment practices – regarding 21 “not included” body labor operations. Shops can take the survey before the end of April by going to the link below:

<https://www.surveymonkey.com/r/Q6M9ZFM>

Newly-released data from the “Who Pays for What?” refinish survey, completed this past January by 936 shops around the country, contained some other evidence indicating the surveys’ positive impact: Of the 27 “not included” refinish operations covered in the survey, 25 had a higher percentage of shops (compared to a year earlier) now negotiating to be paid for them. “If you don’t bill for it, you will never be paid for it, yet the biggest percentage of shops not billing for these procedures say they never thought of billing for them when they are required as part of a repair,” Anderson said. “These surveys were designed to help raise that awareness.”

Anderson of Collision Advice noted that with the growing participation in the survey series, the 75-page report on the refinish survey results includes two new ways of looking at the data. First, the results are now broken down into 11 different U.S. Regions, compared to just seven regions in the previous surveys.

“This was done to make the results more valuable and meaningful by allowing shops to compare results with facilities closer to their market,” Anderson said. Also, thanks to a “big push by some dedicated repairers in Texas,” according to Anderson, the refinish survey report also includes a section of results for Texas alone. “More than 100 shops from Texas participated in this survey, so as a way to thank them for their effort, we also included the results broken out just for Texas,” Anderson said. “I would love to see more states participate at that level.”

Each of the four different “Who Pays” surveys explores a different area of shop operations. The current survey focuses on “not-included” body-related operations, asking shops how frequently they are paid for each of the operations by each of the eight largest auto insurers in the country.

Survey participants will receive a report with complete survey findings at no charge broken down by region, insurer and DRP vs. non-DRP. The report also includes analysis and resources to help shops better understand and use the information presented. Anderson said the survey, which will take about 15-30 minutes, should be completed by the shop owner, manager or estimator who is most familiar with the shop’s billing practices and the payment practices of the largest national insurers. Each shop’s individual responses are held in the strictest confidence; only cumulative data is released.

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The results of previous surveys are also available online: <https://www.crashnetwork.com/collisionadvice>

Collision Advice (www.collisionadvice.com) is an independent training and consulting firm featuring some of the most respected and experienced experts in the collision repair industry. CRASH Network (www.CrashNetwork.com) is a subscription newsletter offering news and information not available from other industry sources.

Source: www.CrashNetwork.com

OEM procedures change more than you'd think — so check every time, Anderson says

Do you have to check OEM repair procedures literally every time? Yes, Collision Advice CEO Mike Anderson argued on a Thursday Guild 21 call — for those instructions can change surprisingly often. “People ask me, ‘Well, Mike, if I fix the same type of vehicle on a regular basis, why do I need to research that OEM repair procedure on that same vehicle every single time?’” he said during a presentation on scanning, calibration, and other elements of modern collision repair. Anderson answered this with a few examples. Without naming names, he cited one OEM which had twice during the past year changed the way a door post and center pillar was installed. Another unspecified OEM changed the way a truck bedside was supposed to be repaired *four times* last year, he said. “Yes, you heard me correctly,” Anderson said. “... Just because you put the bedside on that way last week, doesn’t mean it’s the same way this week.”

Anderson also brought up the 2015 Ford Mustang, the second model year in a new design generation that employs a fair amount of aluminum and boron steel. Sometime in the last couple of months, Ford changed the procedures for replacing a quarter panel, according to Anderson. A month or two ago, Ford demanded a shop replace the roof when it replaced a quarter panel, according to Anderson. Two weeks ago, he said he noticed: “Ford has since changed that, and they now have a sectioning procedure.” Without checking habitually, “we’re not gonna know when things change,” Anderson said. The third-quarter 2016 “Who Pays for What?” survey by CRASH Network and Anderson’s Collision Advice asked about repair procedure checks. About 48.7 percent of the 521 respondents reported researching OEM repair procedures either “all” or “most of the time” — up 5.5 percentage points from 2015. Another 30.7 percent said they checked procedures “some of the time,” 18 percent said “only occasionally,” and 3.1 percent said “never.” “The answer is 100 percent of the time,” he told the audience Thursday.

Repair procedure aggregation?

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Constant changes to OEM repair procedures also raise questions about using a third-party aggregator such as ALLDATA or similar offerings from the three estimating services instead of original OEM websites. Automaker collision repair trainers cautioned against using anything other than their own OEM websites for this reason last year during the Collision Repair Technology Roundtable at SEMA.

James Meyer of Toyota recalled a version of its repair procedures on one such information service which was obsolete; the OEM had since changed the methodology. "They're trying to recreate a database that already exists" and is updated constantly, Mike Kukavica of Porsche said, indicating that such a project was destined to have flaws. He said he sees repair information change on a weekly basis. Shawn Hart of Audi also said sometimes "fairly important information" might be missing on such services. Hart also said that if a technician is working from the OEM website rather than a replica of it, he's more likely able to assist that repairer with a technical question. An ALLDATA representative at SEMA confirmed that there is a lag between when OEMs release updated instructions and when the revisions are noticed and incorporated into the service. However, he said that the company was working on bots to scan OEM sites and reduce that time.

Source: www.repairerDrivenNews.com

CCC's 2017 'Crash Course' offers look at scan, calibration pricing

The realization that vehicle diagnostics needed to be a regular part of collision repairs shook up the auto body and insurance world in 2016, and CCC's 2017 Crash Course provides data into how such OEM requirements are shaking out in actual claims. The average pre-repair scan comes in at \$125 a claim, as does the average post-repair scan, according to CCC's free annual industry report.

"Analysis of uploaded vehicle appraisals reveal the cost per scan ranges anywhere from \$75 to \$169; reflecting the fees charged to the shop for each scan by a third-party scanning service as well as additional labor time sometimes added by the shop for the time spent running the scan," CCC wrote. "Scan fees are incurred whether DTC fault codes are found or not." (For the record, CCC did draw attention to the possibility scanning and calibration would be needed in the 2016 edition of "Crash Course." The 2015 report, however, does not appear to contain any references to "scanning" or "diagnostics.")

CCC lead industry analyst and "Crash Course" lead author Susanna Gotsch said in an interview this month that "the range of fees is pretty broad" for diagnostics, and there's a hope that more standardization can occur. She said that when she visits shops, the time to scan a vehicle can vary "quite a bit" as well.

Adding \$250 in scanning to every vehicle with such requirements under OEM procedures is "a little harder to digest" for a carrier when an insurer's average repairable claim was \$2,861 in 2016 and \$2,757 in 2015, according to CCC and Gotsch. "That's 10 percent additional severity," she said. Gotsch said that in general, the industry seemed to be "pretty evenly" divided between using Collision Diagnostic Services' asTech (which connects a car to an OEM scan tool housed at CDS) and outsourcing to a dealership. Not many shops were opting to buy all the OEM scan tools themselves, she said.

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Calibration — making sure all of the electronic features you scanned will operate correctly following a collision, loss of power or R&I/R&R operations — is appearing on claims as well, according to Gotsch and CCC. Some claims are “pretty substantial” with calibration requirements, even reaching above \$2,000 for that work alone. Whether a shop performs the work in-house or outsources it can be a “pretty big difference” in cost as well, she said. However, mechanical-rate calibration times do exist in CCC’s estimating platform, Gotsch said, giving the example of 1.5 hours to calibrate the distance sensor for an unspecified Mercedes. In general, CCC found an average labor time of between 0.2 hour and 6 hours to complete calibration procedures, at an average hourly rate of \$45. (Which is interesting, because the estimating service also found the average 2016 body rate was \$47.85 and average mechanical rate was \$82.02.)

Asked if shops are scanning vehicles but not calibrating them — which some experts have suggested could happen at uninformed facilities — Gotsch said she hadn’t formally studied the issue. However, she said more anecdotal spot-checks typically indicate shops are both scanning and calibrating cars. (Hooray!)

Source: www.repairerDrivenNews.com

USAA QRP Promising Savings or Compromising Safety?

USAA has recently enacted a Quality Replacement Parts (QRP) program claiming that the use of imitation parts will help curb the high cost of vehicle repairs. Unfortunately, the program is offered without any evidence that the savings of imitation parts will in fact lower insurance premiums for policyholders.

USAA claims that these parts will be like kind and quality to the function, fit, finish and corrosion protection of the damaged parts being replaced without any factually supported evidence. The QRP parts are imitations of the certified Original Equipment Manufacturer (OEM) parts. They are not designed or tested for safety, functionality and appearance in the same way that the OEM parts are. Because of this, there are many unknown variables that can affect the safety and functionality of the parts, potentially compromising the repairs. Most importantly, airbag deployment systems may be compromised in a future crash based on these discrepancies.

Furthermore, the program is provided with a limited warranty excluding normal wear and tear. USAA’s QRP program warrants QRP parts identified in the damage report and installed during vehicle repairs. However, insurance companies are not licensed repairers and therefore should not be promising any warranties on parts or repairs. The decisions regarding parts and repairs should be at the discretion of the licensed repair shop of your choice. As proven in testimony, if an aftermarket part that was written on an insurance company’s appraisal and installed on the vehicle ultimately fails and damages occur, the insurance company would assume no liability. Instead, the repair shop and parts supplier would be found liable. Ironically, the only financial beneficiary would be the insurance company.

The only guarantee of USAA’s QRP program would be the savings for USAA at the expense of the policyholder’s vehicle. Protect your rights as the vehicle owner. Insist on genuine OEM parts and the proper repair.

Submitted by Ashley Burzenski - Autoworks of Westville - ABAC Board of Director

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