

ABAC NEWS

**NOV - DEC
2014**

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The Official Newsletter of the Auto Body Association of Connecticut



Tony Ferraiolo A&R Body Specialty - ABAC President ABAC Year in Review

2014 started out like any other year for the ABAC. Your Board of Directors spent much time discussing ideas for meeting content. It seemed like 2014 was going to be another busy year.

In January the ABAC met with the Department of Motor Vehicles. The purpose of this meeting was to establish an ongoing relationship between licensed repair shops and the agency that licenses them. The DMV was informed of The LKQ wheel recall, the use of Aftermarket parts, and Towing and Storage. After this meeting the DMV made changes to their website to clarify "consensual" and "nonconsensual" towing and storage. Both parties had good input. The meeting was a success.

In March with our main sponsor, Richard Chevrolet and Albert Kemperle, the ABAC featured Larry Montanez of P&L Consultants as the guest speaker. Larry covered Material Science and the Future. Montanez had so much information he could not finish his presentation, so we invited him back for Part 2 in May. Also in March, with an event put together by Balise Wholesale Parts Express, Rick Leos from Toyota Motor Sales presented his Estimating System that will help your shop improve accuracy and proper repair procedures in repairing Toyota Motor Vehicles. Rick, at this meeting thanked the ABAC for our initial support of his Adaptive Estimating System when he first mentioned he was working on it over a year ago. The ABAC and its members wrote letters to Toyota in support of Rick and his revolutionary estimating system. Rick hopes other OEM's will follow this form of estimating for their vehicles.

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Also in March, ABAC officers attended the AASP/NJ's North East Trade show held in New Jersey. It took place in a round table discussion of our industry and what the future may hold for collision repairers. From this meeting, the ABAC gathered important information to share with its members for ongoing education and training.

Our May membership saw the return of Larry Montanez for Part 2 of his Material Science and the Future presentation. Larry continued where he left off and also covered Advanced Estimating, Non Included and forgotten Procedures. Larry with his Brooklyn style of presenting kept everyone educated and entertained. This meeting prompted the ABAC to dedicate our MONDAY MOTIVATOR to P-page logic.

In April, after many shops had contacted us about a method of Photo Estimating they were starting to see; our legal counsel prepared and sent a letter to the Department of Insurance. We believed that this type of estimating, using the customer to "camera phone photo" damage and submit claim is a violation of our Connecticut Unfair Insurance practices law (CUIPA CGS 38a-816) and possibly other consumer protection laws. Aside from that we strongly believe that this practice may have safety related issues associated with this type of vehicle damage analysis. If anyone has a customer, that they feel was driving an unsafe vehicle after they submitted this type of Photo Estimate, please contact the ABAC.

Since we're on the subject of safety, The ABAC, through information from our members, was alerted of an LKQ Wheel Recall. According to LKQ the reconditioned wheel was unsafe and could cause the wheel to fail, resulting in injury or death. The ABAC informed the Department of Motor Vehicles, the Department of Insurance, the Attorney General, and met with Senator Blumenthal's office on this important Recall. The ABAC along with Dave Fogarty, ABAC News Advertising Director, developed a CONSUMER ALERT, informing consumers on the use of non OEM parts and what may occur from their use.

We questioned the membership on what they would like to see our membership meetings include. The response was education and training. It appears that we were on target already! We will continue to bring you the best of meeting content available to us.

Also in May the ABAC conducted an Aluminum repair class hosted at an officer's shop. Larry Montanez was brought in to present a "hands on" Aluminum Repair Class. Twenty five people attended this very informative class. Everyone left with more knowledge of repairing aluminum.

In September at our membership meeting sponsored by Richard Chevrolet, Jim Mickle from General Motors did a presentation on what to expect from GM in Material Construction on their new model vehicles. Jim also went over GM's "Bump the Competition Program". GM is offering to help shops use the proper OEM parts on GM vehicles.

Our October meeting sponsored by BMW of Bridgeport was titled "Tired of Shrinking Profits". This meeting was conducted as a Town Hall style meeting, to encourage attendees' interaction. ABAC Board of Directors, along with select members, covered a variety of topics. Customer Retention, Proper Repair Forms and Authorizations, Towing and Storage, Aftermarket vs OEM parts, Paint and Materials, Handling Desk reviews were just a few items covered. The meeting was a huge success.

Our final membership meeting of the year was held in November, with Bald Hill Dodge, Chrysler, Jeep, Kia as our main sponsor for the evening. Guest Speaker, Ron Perretta, from Global Business Coaching and Consultants was brought in to present Lean Process. Ron explained how work in his shops proceed right through the process. All jobs are disassembled, blue printed, parts ordered and equipment and technicians assigned. He feels the flow of work through his facilities, by using his system, is running as efficient as it has ever been. Ron had a host of great ideas; even seasoned shop owners and managers left with good ideas to implement in their shops.

The ABAC along with our legal counsel, accountant, lobbyist and a member of CTCRS (Connecticut Collision Repair Specialists) met with the Department of Revenue Services.

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The purpose of this meeting was to discuss Regulation 12-407(2)(i)(m)-1 Repair services to motor vehicles; specifically, tax on paint and materials. We believe the regulation is outdated and doesn't reflect the way paint materials are mixed and accounted for in the present day way of color mixing. This discussion will be ongoing. We will keep everyone informed.

The ABAC News has a new feature called "Shop of the Month". If you would like your shop to be featured in our newsletter, you or your employees need to attend a membership meeting. At the meeting a drawing of shops in attendance will determine the Shop of The Month.

The ABAC has been working hard on a mobile phone app, to help consumers get information on their rights, what to do if involved in an accident and find a member shop in their area. Watch for it very soon!

The ABAC was hugely successful in getting the Glass Bill put under another section, so we are not now stuck in the middle of a constitutional debate. This is why we have a full time Lobbyist and legal counsel.

Wow we did all that and much more. It looks like 2015 will be another jam packed year of more education, information and training.

I would like, on behalf of the membership, to thank the ABAC board of directors, Heather Romaniello, our Administrative assistant, Don Cushing and Dave Fogarty (ABAC News), for all their hard work and dedication to this association and our industry.

Be a part of this great association, support and attend our meetings.

I hope everyone has a happy, safe and busy holiday season. See you all in the spring.

Tony Ferraiolo – ABAC President

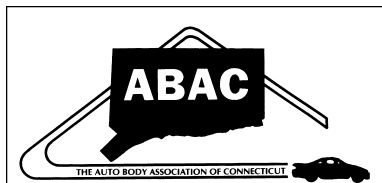
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ABAC Hosts Ron Perretta at November 18 Meeting

The latest educational presentation from the Auto Body Association of Connecticut (ABAC) for collision shop owners, members and non-members was held on Tuesday November 18th at the Chowder Pot Restaurant in Hartford, CT.

ABAC President Tony Ferraiolo welcomed all in attendance and then thanked the Sponsors for the evening.

**The Primary Sponsor for the event was:
Bald Hill Dodge-Chrysler-Jeep & Kia.**

They were represented by:

- **Don Cushing, Wholesale Parts Manager**
- **Anthony Pickett, Delivery/Sales**
- **Mike Picerno Jr, Delivery**

Bald Hill has been a long-time supporter of the ABAC. They have been servicing the Automotive Industry since 1980. Currently, their staff of over 30 dedicated “parts-only” employees is able to give their customers the excellent service that today’s collision and repair facilities demand. Combine that with a \$1.8M inventory and 15 Delivery trucks and you know why Bald Hill Motor Group is “New England’s Largest Mopar/Kia Parts Wholesaler!” Their area of coverage is Connecticut, Massachusetts, Rhode Island and New Hampshire.

Our Co-Sponsors for the evening were:

- **Albert Kemperle, Inc**
- **Enterprise Rent-A-Car**
- **Midstate Insurance & Financial Services**

Tony then thanked the **ABAC News Supporting Advertisers** (which can be found as a pull-out in this issue) and **Corporate Sponsors** (which can be found on the back page of this issue of ABAC News.) Tony then went on to announce new members of the ABAC. They are:

- **Premier Subaru-Volvo - Watertown**
- **BMW of Watertown - Watertown**
- **Woodbury Chevrolet – Woodbury**
- **United Auto Parts – Colchester**
- **Rte 25 Auto Collision – Monroe**
- **Gillette Auto Body – New Haven**
- **Barberino’s Nissan – Wallingford**



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DVD's were available for shops to take. These discs contained all of the documents, pamphlets and information from the ABAC's Norwalk meeting.

Speaking of information; do you know what the ABAC's website offers you? www.abaconn.com is full of info that you **and your customer** can use in your everyday business: Accident Procedure List, Common Auto Insurance Terms, Tips for Seeking Quality Auto Body Repair and many forms and FAQ's that can be extremely helpful to your customer! As a shop owner/member you can view Legislation, Position Statements and Repair Bulletins. There is also a list of Technical Schools which you can contact for potential employees. There is also a Document Library with Business Forms that affect your business on a daily basis. This website is there for you, as a member, to help you. USE IT!

Our first guest speaker of the night was Jay Forgione, Financial Professional for Midstate Insurance & Financial Services, LLC. Jay's primary objective is to help you achieve financial freedom in a complex and constantly changing world by designing strategies to help you achieve what is most important to you. Jay was joined by Toni Litrenta, Director of Sales. For more info, you can contact Jay at 860-678-2933 or by email JForgione@financialguide.com

We then heard from Gerard Carbonaro from security First Insurance. Gerard covered the new rules for 2015 concerning Auto Body Service & Repair and Auto Service Repair and the affect those new rules will have on the designation of the technicians for both industries. Security First will be in touch with ABAC Members soon to explain all of this information.

Ferraiolo then introduced Chuck Sulkala, Executive Director for the National Auto Body Council. (NABC) Chuck discussed the newly introduced program, "texting and Driving; It Can Wait" He distributed window clings to attendees to support this endeavour. "We, at the NABC, have an Award of Distinction" that we present to people that we deem have performed selfless acts," said Sulkala. "Tonight, I would like to present Mike Startz, Account Manager for Albert Kemperle, with this Award of Distinction for his heroic actions when he rescued a woman and her two small children from a burning car on I-395 in Connecticut." The ABAC would like to congratulate Mike for this prestigious award. It is well deserved!



Next up was our featured guest of the evening, Ron Perretta. Ron is a certified MVP Business Development instructor since 1997. He brings over 29 years of hands-on experience in collision repair where he started as a technician. Today he owns and manages two collision repair centers in Central Pennsylvania; Professionals Auto Body, in Altoona and Duncansville. Ron holds an MVP Green Belt Certification for Throughput Performance Solutions and is a graduate of Penn State University. He is actively involved in local auto body associations. He holds many trade accreditations and certifications including: AMI Automotive Management Institute, ASE, I-Car and Certified Collision Repair Management certifications adjustor license.

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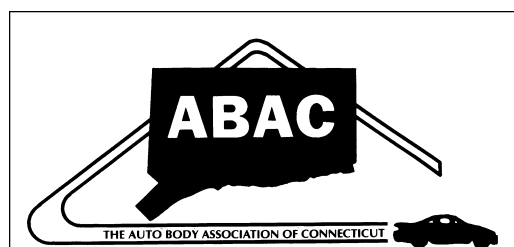
Ron began his presentation with, *"I've been in business for 35 years. My locations were built around "lean" processes. Here's what's interesting about lean processes in our businesses today; it's not working. People still aren't lean. The "touch times" and cycle times in our industry have actually gotten worse. There's a lot of people out there that talk lean but aren't lean. And some of the reasons that I think that it's like that is it's too complicated. So I want to take you through my process. Use what you can or don't use anything at all. The only thing that I know is the body shop business. I started when I was 19 years old. All we've ever done is body shop stuff so I've honed these processes very well."*

Ron then went on to give us a great in-depth presentation of his processes and the facts to back that up. It was a presentation that had to be seen. Ron offered that he is always available to anyone who has a question. You can reach Ron at his email RonPerretta@aol.com

Our night concluded with a raffle of gift certificates donated by vendors and a Mopar Winter Coat donated by Bald Hill DCJ & Kia. The winner of the Mopar jacket AND the ABAC Shop of the Month was TJ's Auto Body, Wallingford.

Another one of our "information packed" evenings brought to you by the Auto Body Association of Connecticut.

Make plans to join us at our next educational event! Watch your email/fax for more up-to-date information!



Want Appraisers to start following the law in 2015? Start Recording Them



Have you ever been confronted with the very frustrating situation of an appraiser blatantly disregarding the law? Maybe you should consider getting that on record next time.

A few ground rules. You can't secretly record phone conversations without consent. You can't secretly record someone where that person has a reasonable expectation of privacy. And you can't set up recording instruments to secretly record the conversations of others. But there doesn't appear to be any laws prohibiting a repairer from setting up a video recorder to capture themselves in a public space discussing auto repairs. So with that in mind, the next time you anticipate an appraiser to likely break the law at your shop, consider recording that conversation.

Remember, all licensed appraisers must comply with the law, including Appraisers Regulations section 38a-790-8 which states in part that: "Every appraiser shall: (1) Conduct himself in such a manner as to inspire public confidence by fair and honorable dealings; (2) approach the appraisal of damaged property without prejudice against, or favoritism toward, any party involved in [including insurance companies] order to make fair and impartial appraisals; (3) disregard any efforts on the part of others [including insurance companies] to influence his judgment in the interest of the parties involved; (4) prepare an independent appraisal of damage."

It is equally unlawful for appraisers to cost shift jobs, add or take away unnecessary parts, backload estimates with concessions to keep labor rates down, and so forth. And, it is illegal for appraisers to say things like:

I know that's necessary, but I just can't write it; or

My Company will not allow me to do that; or

I "won't" or I'm "not allowed to" authorize pre-loss, factory procedures; or

I "won't" or I'm "not allowed to" write factory (OEM) parts; or

I am required to write Aftermarket Parts; or

I can only pay the labor rate set by the insurance company; and so forth.

When you hear and see these kinds of practices, record them. Then, put them on YouTube. Show your customers and your community what is really going on. And, if the appraiser refuses to discuss the claim on camera, ask him why not? What's he's so afraid of? Get him on record refusing to be recorded. There should be no reason why an appraiser's job must be done in secret.

Again, it is probably illegal and not recommended that you record anyone in private where there is an expectation of privacy, or where the recording is done secretly. But that doesn't mean you can't use this very powerful tool to bring very common, but unlawful practices to the light of day.

On a lighter note, as this year comes to a close, I wish you and your families good health and happiness; and I wish you all the best as we go crashing into 2015 ... some of us maybe a little harder than others. Be well.

John Parese

Buckley & Wynne - Attorneys at Law



In The Headlights

ABAC News Supporting Advertisers And Corporate Sponsors

This month's "In The Headlights" is all about the very deserving financial supporters of the ABAC News - Our Supporting Advertisers and Corporate Sponsors!

It is essential that we support our vendors. Without their support, we would not be able to continue aggressively fighting the insurance industry and educating our members and the public. Every project that we undertake – and there are many – has a price.

Many of these advertisers do much more than help fund our programs; they share repair information, keep us updated on the latest information and training, and serve to guide us through the latest advancements and changes in the industry.

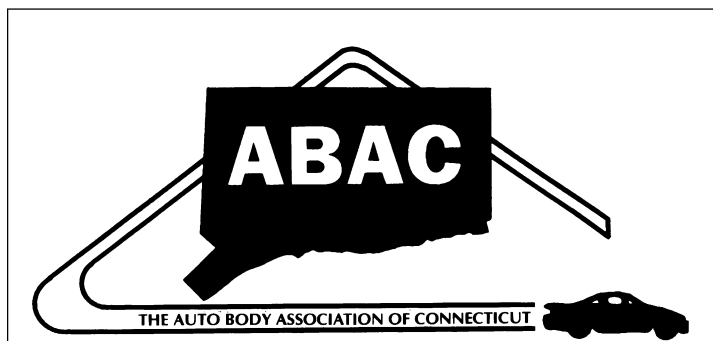
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Tony Ferraiolo

President - ABAC

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ABAC Shop of The Month

TJ's Autobody LLC

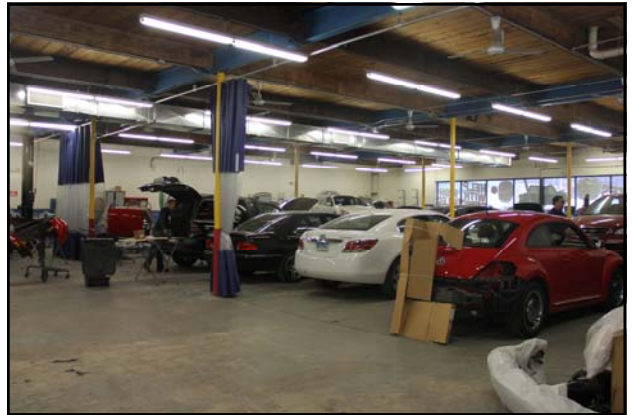


Our Shop of the Month is TJ's Auto Body LLC in Wallingford.

Owner Tom Stowik gave us a tour of his shop recently and also a little background on his business.

Tom had been in the automotive industry for about 25 years. He began in high school working part time washing and detailing cars for Super Sales. Once Tom graduated he worked full time buffing and detailing then moving on into assembling/disassembling. Tom then spent about 8 years working to learn most of his painting skills.

Tom was employed at Barberino's collision shop from 1998-2002 before becoming their shop manager which he held until 2008 when he decided to purchase that shop from his employer, renaming it TJ's Auto Body. He remained at that location until 2011 when he purchased and refurbished his current shop at 508 Old Colony Rd.



Tom tells us that he runs about 12-20 vehicles through his shop each week, averaging 50-60 cars a month. He has 12 full time and 2 part time employees along with his shop manager Steve Maggi. His operation consists of a 12,000 square foot facility with 15 bays.



His business manager, Liezzie Altantara, according to Tom is "one of my most important employees." She has been working for TJ's Auto Body for 9 months and had quite a bit of experience. Liezzie graduated high school in 2008 and immediately began working in a collision shop in New Britain. She used those years to hone her skills before coming to work for Tom. Her responsibilities include: ordering and checking in parts, scheduling shop work, greeting and scheduling customer appointments, dealing with insurance companies with claims and supplements, just to name a few!

The ABAC would like to congratulate Tom and his staff for their Shop of the Month feature and wish them all continued success and also thank Tom for his involvement in the Auto Body Association of Connecticut.

Automakers Announce Privacy Principles to Protect Vehicle Personal Data

Consumer advocates and the automotive aftermarket are cautioning that the newly announced principles don't go far enough to protect consumer privacy and competition for repair services.

The Global Automakers and the Alliance of Automobile Manufacturers joint announced consumer privacy protection principles for vehicle technologies and services. These Principles commit automakers to take certain steps to protect the personal data generated by their vehicles. Consumer advocates and the automotive aftermarket are cautioning that the newly announced principles don't go far enough.

"The privacy Principles reflect the reality that automobiles increasingly make use of innovative technologies designed to save lives, time and the environment," said Global Automakers President and CEO John Bozzella. "As modern cars not only share the road but will in the not too distant future communicate with one another, vigilance over the privacy of our customers and the security of vehicle systems is imperative."

The Principles' fundamentals are based on the Federal Trade Commission's (FTC) Fair Information Practice Principles (FIPPs), which, in turn, rest on privacy practice frameworks used in the United States and around the world for over forty years. Consistent with the FIPPs approach, the Principles treat sensitive information, such as geolocation, driver behavior, and biometric information, with additional, heightened protections. Global Automakers met with the FTC during the development process of the Principles and the agency is supportive of the industry efforts.

These privacy commitments are part of a larger initiative by automakers to protect the privacy and security of the data necessary to support these advanced vehicle technologies. Despite the absence of reported hacking incidents affecting vehicles on the road to date, the industry also is taking proactive measures to prepare for threats by working to establish a mechanism for sharing vehicle cybersecurity information among the auto sector.

"Automakers are integrating innovative systems in the initial stages of design and production providing consumers with safe, smart, and sensible vehicle choices," said Bozzella. "As advanced technologies continue to evolve and become increasingly data driven, we will continue to adopt best practices and work with experts and other stakeholders to ensure consumers are protected."

Mitch Bainwol, president and CEO, Alliance of Automobile Manufacturers said, "Our Principles build on the long-standing Fair Information Practice Principles, Federal Trade Commission guidance and the White House Consumer Privacy Bill of Rights. These landmark privacy frameworks, when applied to automobiles, should reassure auto customers that their privacy is taken seriously.

Bainwol continued, "Our Principles have three important hallmarks that are the touchstones of the commitment of participating automakers to their customers. First, consumers can expect transparency. Automakers will employ a variety of methods to provide consumers with clear notices of their privacy practices,

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including through owner's manuals and company websites. Second, the most sensitive types of consumer information receive heightened protections. For many, information about where and how they drive is private. Under the Automotive Privacy Principles, automakers pledge to provide protections for sensitive information that goes beyond similar principles in other industry sectors. Third, automakers clearly state the limited circumstances where they may share information with government authorities."

Criticism from Consumer Advocates and Automotive Aftermarket

Consumer advocates and automotive aftermarket organizations, however, are cautioning that the principles do not go far enough to protect consumers privacy and assure competition for automotive repair services.

AAA's President and COO Marshall Doney said, "AAA is encouraged that automakers are taking a first step to address consumer rights with connected car data, but this agreement falls short of providing consumers the right to control their own information. Today's announcement follows in the footsteps of AAA's Consumer Rights for Car Data, but we remain concerned that industry continues to prevent consumers from having access to a competitive choice of automotive services.

"New cars increasingly collect vast amounts of data that can be used to prevent breakdowns, reduce crashes and help drivers save both time and money. Consumers should benefit from market competition as these new services emerge, and no company should put unfair limits on consumer choice," continued Doney.

The Auto Care Association (ACA), while applauding the initiative, believes consumers should be allowed to control the flow of data generated and what third parties have access instead of the auto manufacturers.

According to the association, "...car owners are at the mercy of the vehicle manufacturers as to where information on their vehicle is sent. This includes vehicle diagnostic, mileage and geolocation information. All of this information is sent directly to the manufacturer, and they decide with which third parties to share that information."

The ACA continues, "In many cases, car owners have established trusted long-term relationships with repair shops and other vehicle service entities to which they would prefer their diagnostic and other personal data be sent, in order to ensure more convenient and efficient service for their vehicle. Since these third parties often compete with the franchised dealer, it is unlikely that the data produced by a car owner's vehicle will be made available by a manufacturer to an independent service entity."

The association would like to see vehicle manufacturers include a secure gateway that allows vehicle owners to control the flow of data transmitted from their vehicles.

Source: www.collisionweek.com

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The goal of the ABAC News is to provide a forum for the free expression of ideas. The opinions and ideas appearing in this publication are not necessarily representations of the ABAC and should not be construed as legal advice.



How can YOU become an ABAC Shop of the Month?

At every ABAC Membership Meeting just fill out the entry card on your table or drop your business card into the drawing basket.

We will be drawing at the end of each meeting. If selected, we will visit your shop to take photos and interview you for the article.

Attend more meetings and Increase your opportunity!

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