

ABAC NEWS

NOV - DEC 2005

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The Official Newsletter of the Auto Body Association of Connecticut



A Message From ABAC President Tom Bivona



I'd like to take this opportunity to wish all of our members a happy, healthy and prosperous holiday season!

During the year of 2005, the ABAC officers and directors put forth tremendous efforts in many areas. As a team, we pursued many issues that affect all of us on a daily basis in order to create positive changes in our collision repair industry. **It would be nice if we could just snap our fingers or press a button, file lawsuits against every insurance company all at one time to correct all problems! If anyone else is living in this fantasy world, please include me. It sounds like fun!**

Now let's get down to reality. Without participation and diligent efforts from our entire membership, including the executive board, believe it or not, we would be much farther behind as an industry and steamrolled by everyone, as is the case in other states that do not have a strong association.

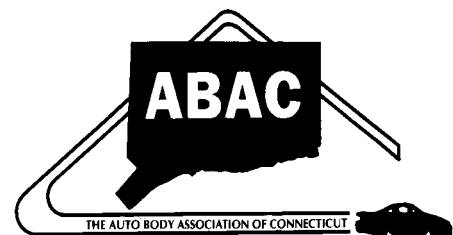
In the spring of 2005, **Connecticut Attorney General Richard Blumenthal**, featured speaker at our May annual meeting, pledged continued communication, cooperation and support to the Auto Body Association and its entire membership. Blumenthal vowed to fight with us to help correct problems relating to the insurance industry. Because of this alliance built with the Attorney General, we were able to gather additional support from key political figures also. **State Senator Len Fasano, State Representative Brian O'Connor** and others share the same passion and support our key issues and goals for legislative change.

For the first time in recent history, a delegation of ABAC directors accompanied me in a series of five monthly meetings with CT Insurance Commissioner Susan Cogswell, her staff, five insurance company representatives, Senator Fasano and State Representative O'Connor. Key issues and problems dealing with insurance companies and the insurance department were brought to the table and discussed in a professional manner to create changes. In the past, the insurance department would develop memory loss when complaints were filed. No longer can the insurance department or insurance companies conveniently deny that there are real problems that need to be dealt with and corrected. A sixth meeting is planned for early 2006 to hopefully institute initial changes. I will keep all of our members posted as events unfold.

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The ABAC has received more recognition and media exposure than ever before. **Michael London (Michael London & Associates)** has been a much-needed addition to our association. London, with his expert contacts, has been able to create media coverage in all areas (TV, radio, news publications, etc.) with efficiency and success. That will continue with vigor in 2006.

We are putting in place attorneys that will handle small claims lawsuits against insurance companies to cover three major counties: New Haven, Hartford and Fairfield County in early 2006. Legal representation will be available in other counties, eventually available for all members throughout the state.

I want to personally continue to thank the dedicated team of officers and directors who have devoted countless hours of their personal time in various ways, including helping our members with problems and issues. Without these people, it would be impossible to hold the office of ABAC President. I am hopeful that we can help institute real changes to benefit all in 2006. **I will give my best efforts to help our members achieve the success that we all deserve!**

Sincerely,

Tom Bivona

THE TIME TO STAND UP IS NOW!

Town & County Auto Body (ABAC member), a very large state of the art collision repair facility located in North Haven, recently had filed numerous complaints to the Ct. Department of Insurance because of insurance appraisers refusing to adjust labor rates on their appraisals to reach agreed prices based on the shop's charged business labor rate. The Insurance Department responded correctly on two of these complaints, one involving **Progressive**, what a surprise!) The other company happened to be **Liberty Mutual**, (another startling discovery)! In both cases the department stated that both carriers had not provided sufficient data and research to substantiate their pre determined and so called prevailing labor rate offers. The department also noted that since labor rates are not standardized by any Ct. law, insurance companies do not have the right to standardize them. All factors should be considered, including labor rates charged by other shops in the market area and whether these shops are comparable facilities. Both carriers were advised that their claims were negotiated in bad faith, deemed unacceptable and should be adjusted to reach a **fair labor rate** settlement with Town& County Auto Body.

Paul Stowe, Town & County's Body Shop General Manager feels that other shop owners and managers, especially ABAC members should take a firm stand and absolutely refuse to accept labor rates offered by insurers that are less than a fair and reasonable rate per job. **Town & County Auto Body** negotiates each and every repair on an individual basis, charging more for a hard wreck that a more experienced technician needs to repair and less on a smaller job that an entry level technician can handle, they post their maximum labor rate and negotiate from there. As **Mr. Stowe** commented, "filing complaints is one thing, but the most important thing would be for all shop owners to stop accepting less than their charged labor rates. We need to have more unity as an association and as an industry!"

Paul Stowe is absolutely right! The time for all shops to stand up and create a change is NOW!

ABAC's Quarterly Meeting Continues The Message of Education

Education, education, education! Have we mentioned the education that is served up when ABAC members get together for one of their meetings? Of course we have...many, many times. This past November 15th at the Country House Restaurant (who also serves up some fabulous food!) was no different than the others. There were about 90 people in attendance and with all the information on hand everyone left armed with some great educational material. There was plenty of everything to go around.

The meeting started at about 7:00PM with **MC Dave Fogarty of the Lorensen Auto Group introducing ABAC President Tom Bivona.** Tom thanked everyone for coming and, as always, thanked them for their strong support of the ABAC. Fogarty then introduced **Board of Director Bill Romaniello** body shop manager at Richard Chevrolet who stressed the importance of making sure that shop owners and managers report any information regarding questionable insurance company practices. He told them to get that information to the ABAC and the ABAC will make sure it forwards that information to the **CT Dept of Insurance.** Bill handed out flyers on specific repairs like air bag deployment, frame repair, etc. and inspections required after a collision. Very informative stuff! He also offered that if anyone needs help or information you can contact him directly. You can find Bill's contact information on the back page of this newsletter. Romaniello then recognized a **new ABAC member, Painter's Edge of Waterbury** who will be sponsoring an upcoming ABAC meeting.

Fogarty then reminded everyone to fax back the recent information that was sent to all members. The ABAC depends on all of the efforts of as many people as possible to attain results. Dave offered to help owners fill out these forms after the meeting. **A non-OEM parts disclaimer form was distributed to everyone.** Hopefully, shop owners will use this valuable tool to help educate their collision customers. Legal issues, CT Dept of Insurance, appraiser concerns and the "antics" of insurance companies were a few more of the subjects discussed. (Being a member and attending meetings certainly is worth every penny of a membership!)

Tom Vicino, I-Car Chairman, was recognized for his tremendous efforts not only concerning I-Car but Tom's ability to build up the ABAC's member base. Tom has been working hard with several people to contact potential members and explain the great benefits of becoming an ABAC member. As a reminder the next I-Car classes will be held on December 14, 2005. Contact Tom at 1-860-399-9999 for more information. Fogarty then acknowledged **Enterprise Rent-A-Car, one of the night's sponsors and an advertising supporter of the ABAC News.** **Mark Coture** was welcomed with a round of applause.

Dave then introduced **Bald Hill Dodge of Warwick, RI, longtime supporter of the ABAC and the ABAC News.** **Bald Hill Dodge sponsored the three remaining sponsorship slots for the ABAC meeting.** **Ernie Wennerstrom, Parts Director,** thanked everyone for the opportunity to sponsor the event for the evening. Fogarty then introduced **Don Cushing, Wholesale Parts Marketing Manager** for Bald Hill Dodge. Don thanked everyone whose business that Bald Hill Dodge had earned through the years and looked forward to satisfying potential customers. Don announced that his company would be raffling off assorted gifts that included Mopar stools, hooded sweatshirts, mugs, etc. but the big prizes were 2 trips for 2 people that included 3 days and 2 nights to San Francisco, San Diego, Las Vegas, Reno or Orlando. (More on the winners later) Don then introduced the featured guest for the evening, **Erica Schaefer, Product Manager for the Collision Portfolio of Mopar's Marketing Group.** Erica covered several subjects of collision repair. Mopar offers industry assistance on behalf of collision repairers. They are always open to assist whenever they can. Results of crash tests, smart restraint systems and their activation and frame sectioning are just a small sampling of topics covered. 2002-2005 Ram, Durango and 2005 Dakota frame repair kits are available from Mopar to help avoid costly frame replacement that could cause more vehicles to be totaled

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Erica mentioned that I-Car provides training on this subject. (**Contact I-Car Chairman Tom Vicino at 860-399-9999 for more info**). Mopar is involved in many areas of our industry including SCRS, CIC, I-Car sponsorships, Youth Educational Systems and involvement in Technical training schools. Just launched by Mopar this year was the limited lifetime warranty on sheetmetal, grilles, fascias and bumpers. Ask your local Chrysler, Dodge or Jeep dealer for details. Competition is fierce concerning the aftermarket and Erica tells us that DCX-Mopar is doing everything they can to be competitive as possible. **One of the programs offered by Mopar is the Conquest Program often referred to as the "Price Match Program". Don Cushing** went into detail on this exciting program where participating dealers can price match the aftermarket on front & rear fascias, front & rear bumpers, headlamps and tail lamps. Again, contact your local participating dealer for more information. When asked about NCOIL, Erica explained that although she wasn't the expert on this subject she would make sure that she would get the appropriate answers from Mopar to any questions that members may have. **Bill Romaniello** offered up current information that is currently being gathered by the ABAC and was very passionate in his concerns on this matter. **Erica closed by informing us that information can be gained on the following website: www.techauthority.com. She urged everyone to check it out.**

The ABAC and it's Board of Directors would like to thank Ms. Schaefer and Mopar for their participation in our meeting and also for their support.

Don once again took to the microphone and told members about the training CD's that were available at the front table. These CD's covered body repairs on many DaimlerChrysler vehicles. A DVD was then presented that introduced the Bald Hill Dodge parts team and their off-site warehouse and what they are all about. Don then completed the evening by raffling off the door prizes. **The big winners of the night were Kenwood Auto Body in Berlin and Jim's Auto Body in Southington who each won the trip for two. Congratulations!**

But the **biggest winners were the collision shops in attendance** who once again were the recipients of education and knowledge that is always offered by the Auto Body Association of Connecticut and the people who help provide that information.

I-CAR Education Foundation Launches Collision Repair for Kids Web Sites

The I-CAR Education Foundation announced the launch of a series of Web sites designed to bolster the collision industry's recruitment effort by providing a single resource to stimulate interest and inform students and their parents about the challenging careers available in the collision repair industry. The recruitment effort consists of two Web sites: collisioncareers.org and collisionkids.org.

The Web sites will provide students, their parents, school counselors and the public at large with facts about the industry. The sites will explain the many rewarding careers available to people who choose to work in the industry.

While administered by the I-CAR Education Foundation, the Web sites are designed to be a truly industry-wide effort that will provide all of the different segments and businesses in the collision industry with the ability to market themselves to young people in search of a challenging and rewarding career.

"The sites will demonstrate the depth and breadth of career opportunities across all industry segments," said Ron Ray, executive director of the Foundation. "From repairers to insurers, suppliers and related service businesses, the collision industry offers a wide variety of challenging and rewarding career opportunities that await young people."

The high school level site, www.collisioncareers.org, combines detailed information about both the collision repair process, training programs and facts and figures on employment with educational and entertaining content including games, downloadable wallpapers for computers and other content.

Ray explained, "Today's young people use the Internet as both entertainment and a source of information. Providing this resource for students looking into their future career opportunities both explains the details of careers, and demonstrates the industry's support for entry-level recruitment programs."

The second site, www.collisionkids.org, includes entertainment and education content about the industry geared towards elementary and middle school age students.

"Collisionkids.org will not only entertain and educate young people, but inform parents and educators of elementary and middle school-age student about our industry," said Ray.

Both sites were developed through the continued industry support and donations to the I-CAR Education Foundation. Content on both sites will be updated monthly. People and businesses can sponsor content on the sites to benefit both the industry and their individual recruitment efforts.

Reprinted with permission from Collision Week - Visit their website @ www.collisionweek.com

Are You Tired of Losing Money on Paint & Materials?

Make no mistake about one thing; insurance companies count on the fact that most shop owners are lazy, not as smart as they are and generally confused by accepting their predetermined paint & material cap, which in many cases does not even cover the cost of those paints and materials required on any individual auto-physical damage claim. **Well, it's time to fight back!**

Most paint suppliers now have detailed paint and material software available to shop owners that will allow them to create not an estimate for paint materials, but an **actual invoice with no guesswork involved**. **Joe Sita (Lorensen Auto Body Shop Director)** has recently started using new software provided by **Akzo-Nobel (Sikken's)** with great results. As Sita commented, "after reviewing the paint material dollar amount listed on an appraiser's estimate, I simply explain to the appraiser, no matter what company he works for, that his paint material estimate is way off! I then hand him the invoice for the exact amount of paint and materials charged out in detailed specific quantity, with a fair profit mark-up from cost. I show him the exact difference in price. The fact that this is the actual bill and not an estimate makes the final price **non-negotiable**. Almost every insurance appraiser, when presented with these invoices, **has no argument and makes concessions to insure proper reimbursement on each claim.**"

Other shop owners who are also using similar software from their paint suppliers have reported similar positive results. It's all up to you as an individual. You can either continue complaining about short payments on paint materials or do something about it. Why guess when you can produce the **real evidence of a non-negotiable invoice?** Contact your paint suppliers now!

INSURANCE RUMORS AND SCUTTLEBUT

State Farm:

State Farm Insurance recently has adjusted an **increased labor rate** in various towns and counties throughout the state based on the survey they make available to all shop owners. They have not made adjustments in certain counties that they have not received enough information to warrant changes. It appears some shop owners are energetic and have created their own pay raises by simply filling out the survey online and e-mailing or faxing to State Farm. Other shop owners in various counties seem to be too busy or too lazy to grasp this opportunity.

Wake up, smell the coffee and submit your true individual business labor rates to State Farm if you care about your business!

Farmers to Buy Airbags Direct from Dealer Under New Pilot Program

Shops will be required to order and receive their airbags from a dealership over 1,000 miles away. Dealer told if he didn't participate, someone else would.

Farmers Insurance will soon be piloting a new program where the insurer will be purchasing airbags directly from the dealership. Under the new program, shops will only be paid installation labor along with a \$25 'handling fee' rather than the parts mark-up the shop would normally be entitled to. The pilot shops, all located in the Midwest, are to order all of their Ford airbags from a dealership 1,000 miles away that Farmers has negotiated a direct purchasing arrangement with.

The parts manager at the Florida dealership participating in the test program said there was one key factor that led to his decision to sign up.

"Obviously, I don't want to cost our customers any money, but I was told real plain and simple that they (Farmers) are going to save money on airbags, and if I don't want to play, they'll find somebody who does," said Bruce Young, parts manager for Delray Lincoln-Mercury in Delray Beach.

The test program, involving Farmers' Circle of Dependability (COD) shops in the insurers' Midwest Zone North, is described in a memo prepared by the insurer. It states that shops will be required to order all Ford and Lincoln-Mercury airbags and related components through Delray Beach Lincoln-Mercury, and bill the insurer only for the "flat \$25 handling fee in lieu of parts mark-up."

Young said the dealership will confirm the parts order and Farmers claim number, and ship the parts to the shop via FedEx, invoicing Farmers for the parts. When the shop bills Farmers for that job, the bill is not to include the cost of any airbag parts- just the \$25 handling fee. Young said Farmers approached the dealership with the idea for the program because the dealership "stocks and sells more Ford and Lincoln-Mercury airbags by far than anyone else in the country." "We sell a couple thousand airbags a month now, and I'm hoping when this kicks in, we'll be able to sell even more," he said. "That's my job is to sell more parts faster." He said he has not yet sold an airbag through the program, nor does not know how many shops will be participating in the pilot. He was not given an estimate as to how many airbags will likely be sold through the test, which he believes will be reviewed in January. He said the dealership already ships airbags all over the country and does so in compliance with rules for shipping of hazardous items, including certification of his personnel. "But it's a little perplexing to me why they call these things hazardous, because we drive around with our face in front of them everyday, and if one goes off, the hazard is gone at that point," he said. "I've never had one go off accidentally, and we've handled a couple thousand a month for six or eight years."

Young is very aware that many body shops will be unhappy about the program. "Yeah, the body shops aren't going to like it, but the insurance companies have done the same thing for years with things like windshields and just about all auto glass," he said. "They cut the body shops right out of it, parts and labor. At least in this situation, they're still going to get the labor. And the only thing they have to do for that \$25 is to fax us the estimate with Farmers' claim number. We ship the airbags the same day, which should be a help to the body shop because most dealers don't stock all the airbags. We bill Farmers directly, so the body shop doesn't have to write a check or lay out any cash. We also pay the freight, both ways if necessary. I didn't like the idea of upsetting the body shops, but there's two things that are perfectly clear in my mind. One is if I didn't want to play the game, somebody else was going to. And two, that basically body shops are not real thrilled with insurance companies to begin with. Besides that, you wouldn't mind if your car insurance went down a little bit, would you?"

Young acknowledges that his decision to participate could affect some shops' decision as to whether to buy parts through the dealership.

"I'm very concerned about losing some wholesale business due to this, and I'm sure I'm going to get threats, but I would hope that our customers would appreciate the fact that we have a \$6 million parts inventory to service them," Young said. "We've invested about \$20 million in real estate, buildings, racks, trucks and fork lifts to service our customers. And we are by far the largest wholesaling Ford and Lincoln-Mercury parts department in the nation. Does that mean I'm greedy going after parts sales and going into other dealers' territories? I guess, but my job is to sell as many Ford parts as I can. The more parts I can sell, the more I can stock, and the better I can service my customer.

"I really feel like insurance companies are going to save money every way they can," he said. "If I don't do this, someone else is going to do it for them. I happen to be ideally set up in the best position to do it, because we've aggressively gone after airbag business for years, and we have the largest inventory. Naturally they came to me."

Calls to Farmers Insurance regarding the program have not been returned as of this time.



Support Dent-PAC

Dent-PAC is the ABAC's political action committee. Funds are distributed to politicians running for office whose opinions are favorable to the collision repair industry.

Most political contributions are not tax deductible, however, an advertisement in the ABAC's annual advertising booklet is considered an Advertising Expense and is, therefore, 100% tax deductible.

How to advertise: Mail your business card or business-card-sized ad with a \$100 check made payable to **Dent-PAC** to Dent-PAC, 21 Preston Avenue, Meriden, CT 06450.

Note: Advertisers do not have to be ABAC members, so please copy this flyer and hand it out to your distributors.

Deadline May 4

The booklet will be distributed at the
Annual ABAC/Dent-PAC Cocktail Party

on May 9 from 6:00 p.m. to 7:00 p.m. at
Country House Restaurant, East Haven

Admission is \$10 per person in cash or personal check
(company checks are not permitted and admission is not tax deductible).

Reservations are not required to attend the cocktail party, which
will be held before the ABAC Annual Meeting

If you have any questions,
please contact Cindy Denya at (203) 238-2240

Thank you for supporting Dent-PAC.

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