

ABAC NEWS

AUGUST 2007

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The Official Newsletter of the Auto Body Association of Connecticut

ABAC MACHINE GAINS MOMENTUM IN MULTIPLE AREAS!

ABAC president Tom Bivona is aggressively tackling key issues and driving through inferior roadblocks that stand in the way of industry success. Tom has utilized the expertise of one of our fine ABAC legal resources, Attorney John Parese from the law firm of Buckley & Wynne. Attorney Parese and President Bivona have spent countless hours formulating and implementing unique strategies toward advancing ABAC goals. This ABAC team has already met once with D.M.V. Commissioner Robert Ward to discuss, among other things, the hundreds of complaints that were filed by insurance companies against licensed repairers, many of which have no merit.

Attorney Parese has already sent Mr. Ward a ten-page letter in follow-up to their first meeting. As Parese said: "There is . . . considerable confusion about what fees the DMV regulates and what fees a repair shop may charge." According to Parese, the ABAC is calling on the Commissioner to issue a formal letter "advising consumers, repairers and insurers that repairers are entitled to charge reasonable tow charges in a consensual tow, and that repairers may charge reasonable service fees in connection with services provided for a customer provided those fees are posted." Parese believes those service fees should be allowed "regardless of how a vehicle was brought to the shop so long as the services are commenced after the tow process is complete and the customer authorizes the repairer to perform services on his or her vehicle."

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A future meeting to eliminate unnecessary complaints and clarify the DMV's position on important issues affecting our industry will be pursued until iron clad solutions are created.

Attorney Parese and President Bivona were scheduled to meet with Attorney General Richard Blumenthal on August 22, 2007.

In addition, our ABAC duo has a meeting scheduled with Governor Jodie Rell and staff on August 28th 2007.

What is your ABAC trying to do for you? Attorney John Parese & President Tom Bivona just answered the Question!

Governor issues press release in error May produce positive result!

CT. Governor Jodie Rell issued a press release on July 5th 2007 commending Attorney General Richard Blumenthal's efforts regarding House Bill 1101, which she thought she was actually signing into law. This bill, as the Governor stated, would prohibit insurance companies from coercing or influencing a consumer's choice of repair facility. The bill would also make it mandatory for insurers to pay reasonable and customary labor rates for collision repair, based on a labor rate per hour that the collision repair shop of the consumer's choice would charge on an uninsured repair bill. Unfortunately Governor Rell was not made aware of a change in Bill numbers. The bill that she was actually signing was an amendment to the current Lemon Law.

ABAC media spokesperson Michael London, immediately contacted the Governor's office to clarify the press release. The governor's staff corresponded, retracting the original press release, apologizing for the confusion. London continued to communicate with the Governor's office and his persistence seems to have been successful. As of this time Governor Rell has invited ABAC president Tom Bivona and select representatives to a meeting tentatively scheduled on August 28th. It's not often that our Industry leaders get the opportunity to meet with the Governor. Then again, we do not have just an ordinary ABAC president. Tom Bivona has guided the Auto Body Association of Connecticut to new heights, opening doors of communication with State officials that normally are not accessible. Bivona has built a relationship with Attorney General Richard Blumenthal that without question has been beneficial to gaining those additional communications with State officials, including the Governor's office.

Since Governor Rell has indicated support to our proposed legislation, although initially premature, one would hope that her position would remain constant. If the August 28th meeting commences on schedule, hopefully there will be some very positive issues to report on in the next issue. Please stay tuned!

Consumer Distraught Over Nationwide “Blue Ribbon” Service

Nationwide Insurance advertises heavily on television promoting their “Blue Ribbon” direct repair service to consumers, promising top quality repairs with a lifetime guarantee. As it turns out, not all Nationwide policyholders have experienced what their advertisements continue to claim.

ABAC member Robert Amendola, owner of Auto Works of Westville, recently had a twenty-year customer of his initially contact him to have her collision damaged Honda Pilot repaired. Bob instructed his customer to contact Nationwide (her insurance company) and explain to them that he would be repairing the vehicle and for Nationwide to call him for an appointment to negotiate the claim. To Amendola’s surprise, his long time customer contacted him after speaking with her insurance company, citing that Nationwide had convinced her to bring her vehicle to their “Blue Ribbon” repair facility in New Haven County. Nationwide had painted for her a picture of faster service, reliability and the highest quality repairs.

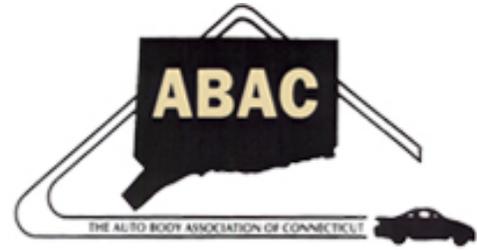
Three weeks later, Mr. Amendola received another phone call, again from his long-standing customer. This time, however, she was hysterical! **Nationwide’s “Blue Ribbon” repair service had apparently failed her miserably!** She explained to Bob that she was driving her vehicle in West Haven after picking it up from the “Blue Ribbon” repair facility, and that there was something drastically wrong with the vehicle, as it was not driving straight, plus the VSC light was on in her instrument panel. After calming her down, Bob instructed her to leave the vehicle at his shop so that he could properly diagnose the problem.

Monday morning, Amendola could not believe what he found. The problems were as follows: **The frame of the vehicle was off by 30 millimeters, the vehicle stability control’s wire harness (damaged in the accident) had been spliced with an aluminum butt connector and the left rear drive axle was spinning out of round and leaking axle grease.** Not bad for a top quality Nationwide “Blue Ribbon” repair!

Nationwide sent down an adjuster to inspect Amendola’s findings and to supposedly settle this claim in a fair and reasonable manner. The adjuster initially refused to pay Amendola’s repair invoice amount, **stating that Nationwide did not pay anything close to the labor rate that he was charging.** Bob’s customer was also there, and at this point she had run out of both faith and patience with her insurance company. She stated that she would never allow Nationwide to sway her opinion again, and if they did not pay every penny of the Auto Works of Westville invoice, she would file an **unfair claims settling** practice complaint with Attorney-General Richard Blumenthal.

In the end, Nationwide reached a settlement with Auto Works of Westville the next morning, paying the entire repair bill. After learning a traumatic lesson, Bob’s customer vowed that she would never trust the advice or persuasion of an insurance company again. She realizes now that it is her vehicle, and her choice of repair facility will always be Auto Works of Westville.

**Buy a raffle ticket today
& November 8th - could be your lucky day!**



AUTO RAFFLE



1ST PRIZE: 2008 BMW 328iC CONVERTIBLE

2ND PRIZE: 42" LG PLASMA SCREEN TV

3RD PRIZE: 32" SONY LCD SCREEN TV

\$100 PER TICKET

ONLY 1,000 TICKETS WILL BE SOLD!

FOR TICKETS PLEASE CALL: 203-769-4492

DRAWING: THURSDAY, NOVEMBER 8, 2007 8:00PM

COUNTRY HOUSE RESTAURANT

990 FOXON RD.

EAST HAVEN, CT 06513

Each raffle ticket that you purchase or sell is a direct benefit to your Auto Body Association treasury and helps to maintain the ongoing progress for our industry



**Many thanks to ABAC
Board of Director Tom Vicino
from Superior Auto in Westbrook
for his time and effort to put
this event together!**

We would like to thank the following businesses and people for their generous donations that helped make our Mohegan Sun Casino Bus Trip successful.

Donating Raffle prizes and/or cash were:



Enterprise Rent A Car

**Albert Kemperle, Inc
*Body & Equipment Store***

**Akzo Nobel
Paul Francis & Co.
Gary's Auto Paint**

Airport Rd. Auto Body
Silvios Auto Body
T&J Auto Body
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Michael London & Associates
Twin Lights Milford Auto Body
Hamden Auto Body

Montesi VW - Hats & Umbrellas
Ford of Branford - T-shirts & Coffee Mugs
Hertz - Koozies

Special thanks to:

Dave Fogarty, Lorensen Auto Group, & Dave Fogarty Jr, who helped makes hundreds of phone calls and helped to organize the marketing of this event
Don Cushing, Bald Hill Subaru Dodge, for the assembly of graphics for the posters and flyers
Tom Bivona, My Way Auto Body, for the beer and drinks
Bob Skrip, Skrip's Auto Body, for organizing the bus and payments to that company
Tony Ferraiolo, A&R Body Specialty, for helping with the raffle on the bus

**It takes a team of people to
help make an event
successful.**

**Thanks to everyone involved
especially to those who were
able to attend our trip to the
Mohegan Sun Casino.**

Rhode Island Governor vetoes collision repair bills

The governor of Rhode Island has vetoed a number of proposed bills that would have affected the way insurance companies handle appraisals, as well as the operation of direct repair programs in the state. On July 3, Republican Gov. Donald Carcieri vetoed several pieces of legislation that would have amended the existing Unfair Claims Settlement Practices Act and established new protections for consumers and body shops.

House Bill 5547 would have allowed claimants and insured parties to use the car rental company of their choice, and clarified insurance card notice relating to the consumer's right to choose an auto body repair shop. Another measure (H 5549) would have made it an unfair practice for an insurance company not to follow all components of a repair manual when appraising a damaged vehicle.

That bill also would have amended the existing unfair claims settlement law to define as an unfair practice the modifying of any published manual relating to the repair without prior agreement between the parties; failing to use the manual or system in its entirety for the appraisal; and refusing to pay adequate compensation with respect to paint and refinishing materials. The amendment made exceptions for shops with existing contracts with insurance companies.

Carcieri also vetoed a measure (H 5550) that would have provided that a customer of a body shop may designate a representative to authorize repairs to their vehicle, but that the designee could not be an insurer or the auto body repair shop, or an employee or agent of either.

Earlier this year, the Rhode Island legislature passed Senate Bill 516, which requires repair shops to inform customers about their right to have original equipment manufacturer (OEM) parts used in the repair of their vehicle. This amended version of existing statute states that auto repair shops must comply with the customer's choice of parts (either OEM or non-OEM), and that insurers must pay for the services rendered by the shop.

After passing the state senate and house, the bill was sent to Gov. Carcieri on June 28.

All of these measures were supported by the Auto Body Association of Rhode Island (ABARI). Last year, ABARI scored a victory when the legislature passed new labor rate survey rules over the objections of the governor and the insurance industry. Carcieri has had several vetoes overridden by the largely Democratic state assembly, and has been at odds with the legislature on insurance-related issues.

The Property Casualty Insurers Association of America (PCI) came out against the current legislative package, claiming the bills would harm consumers.

"When you're involved in an accident, you want a quick, hassle-free way of getting your vehicle expertly repaired. You want to make an informed decision. And, you want options that keep you in control of

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your repair costs and insurance costs," said Frank O'Brien, vice president and regional manager for PCI.

Several other related bills are still in committee. One (H 5544) would require that "any vehicle determined to be a total loss by an insurance company shall have its title stamped on all paper and electronic copies "for salvage parts only." That measure was referred to the Senate Constitutional and Regulatory Issues committee in May, as was H 5546, which would add an appraisal requirement to the Unfair Claims Settlement Practices Act. Under the proposal, failing to require an appraiser to perform an independent appraisal on a vehicle that has suffered more than \$500 in physical damage would fall under that law.

In March, the House also held another bill (H 5548) over for further study, which would make insurers liable for three times the amount of damages sustained by an insured or third-party claimant as a result of "improper or unsafe repairs performed on the insured's vehicle by a body shop that is a member of that insurer's direct repair network or preferred-shop list."

Subject: Life explained

On the first day, God created the dog and said: "Sit all day by the door of your house and bark at anyone who comes in or walks past. For this, I will give you a life span of twenty years."

The dog said: "That's a long time to be barking. How about only ten years, I'll give you back the other ten?"

So God agreed.

On the second day, God created the monkey and said: "Entertain people, do tricks, and make them laugh. For this, I'll give you a twenty-year life span."

The monkey said: "Monkey tricks for twenty years? That's a pretty long time to perform. How about I give you back ten like the Dog did?"

And God agreed.

On the third day, God created the cow and said: "You must go into the field with the farmer all day long and suffer under the sun, have calves and give milk to support the farmer's family. For this, I will give you a life span of sixty years."

The cow said: "That's kind of a tough life you want me to live for sixty years. How about twenty and I'll give back the other forty?"!

And God agreed again.

On the fourth day, God created man and said: "Eat, sleep, play, marry, and enjoy your life For this, I'll give you twenty years."

But man said: "Only twenty years? Could you possibly give me my twenty, the forty the cow gave back, the ten the monkey gave back, and the ten the dog gave back? That makes eighty, okay? "

"Okay," said God, "You asked for it."

So that is why the first twenty years we eat, sleep, play and enjoy ourselves. For the next forty years, we slave in the sun to support our family. For the next ten years, we do monkey tricks to entertain the grand-children. And for the last ten years, we sit on the front porch and bark at everyone.

Life has now been explained to you...

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