

ABAC NEWS

January
February
2022

The Official Newsletter of the Auto Body Association of Connecticut



**DON'T LIMIT
YOUR CHALLENGES
★ ★ ★ ★ ★ ★ ★ ★ ★ ★
CHALLENGE
YOUR LIMITS**

**Parts Shortages Affecting Businesses;
Problems Still Exist with COVID;
The Battle Continues!**

Your Car, Your Choice - Find us at www.abaconn.org

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ABAC President's Message

Bob Amendola

Know Your Worth... And Fight for it!



There is no better time than the present. The time has come to demand what our industry deserves.

We as a group have the power to move forward. Case in point, the number of repairers diminishing and the increased cost of doing business.

Members, I encourage you to take advantage of all of the great resources our membership offers. If you are not a member, I strongly encourage you to join.

As the saying goes... in knowledge there is power and in unity there is strength.

Personally speaking, real change for our shop came from simply saying no. Subsequently, helping customers file DOI complaints, filing our own DOI complaints, charging customers the difference and pursuing litigation greatly helped to change our circumstances.

Crunch the numbers, understand your worth and charge accordingly. The game of the price is right needs to end now. Put the fight where it belongs- between your customer and the insurance carrier.

Our upcoming meeting on March 8th will be presented by Randy Serkey, BOD and owner of A&R Autobody alongside his attorney, David Torrey. Together, they will present a deep dive into how to create a litigable file they've developed to collect payment on proper and safe repairs. You won't want to miss it!

All the best,

Bob

Bob Amendola

Autoworks of Westville - New Haven


President - Auto Body Association of Connecticut



Given the evolving nature of the pandemic, OSHA is in the process of reviewing and updating this document. These materials may no longer represent current OSHA recommendations and guidance. For the most up-to-date information, consult Protecting Workers Guidance.

Steps to Protect Automotive Service Workers from Exposure to Coronavirus

The following steps can help reduce the risk of exposure to the coronavirus for automotive service workers:

- Encourage workers to stay home if they are sick.
 - Provide gloves and masks or other face coverings.
 - Maintain at least six feet between co-workers and customers, where possible.
 - Offer pick-up and drop-off service.
 - Close or limit customers in reception areas and waiting rooms.
 - Use "no-touch" options for payments and appointments.
 - Regularly clean and disinfect all tools and equipment.
- 
- Discourage the sharing of tools and equipment.
 - Cover seats and sanitize key fobs and steering wheels before and after service.
 - Encourage workers to report any safety and health concerns.

For more information, visit www.osha.gov/coronavirus or call 1-800-321-OSHA (6742).



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“On The Minds of Members”

Parts Shortages Affecting Businesses; Problems Still Exist with COVID; the Battle Continues!



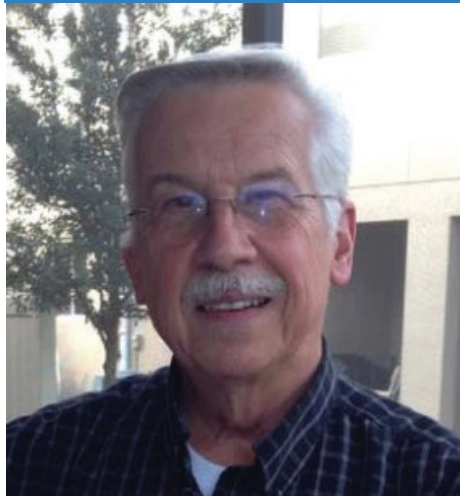
Bob Amendola
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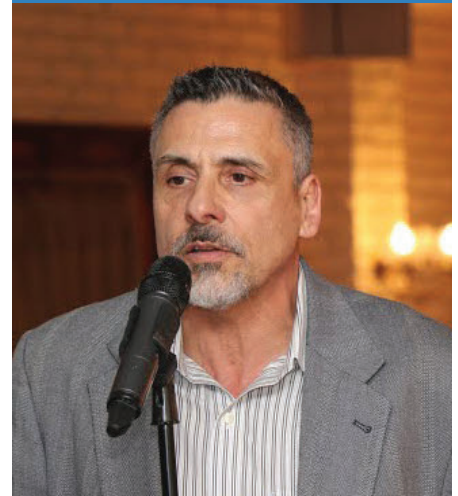
Eddie Lupinek
Eddie's Auto Body



Joey Cavallaro
Airport Road auto Body



Randy Serkey
A&R Auto Body



Tony Ferraiolo
A&R Body Specialty

ABAC Member Shop Owners Share their Views on How Their Getting it Done!

We interviewed 5 Auto Body Association of Connecticut Members and asked them questions pertaining to their businesses and how the increase in their customers is affecting their day-to-day operations. Here are their candid comments.

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Now that your shop is busy, how are you dealing with parts shortages?

Joe: We're doing whatever we can. We order initially from our normal Vendor. As soon as that order goes through, we follow up with our vendor the next day for the ETA on all our parts. We want to be ahead of any issues such as back ordered parts or parts that we can't get right away. If our vendor can't supply us, we try a different dealer. We use PartsVoice.com which helps us find different dealers throughout the country that might have that part in stock. Our parts guy's job is to call any of these dealers to see if they have it in stock, if they are willing to sell us the part, can they ship it or can we pick it up if it's local and set it up so we can get this part as quickly as possible so we do not tie up the repair.

Eddie: Delaying the repair. Once the part (a bumper) comes in, we finish the repair. We've actually bought substandard parts just to make the vehicle drivable until the new bumper becomes available. Another is that we've repaired the part even if the new part would have been cost effective but that new part is not available. An example is to repair a door instead of replacing it as long as the door can be repaired. We communicate these decisions with the customer. If the customer wants to wait, so be it.

Tony: It's certainly a challenge. Sometimes we're looking for used parts if new parts are not available. Otherwise, the cars are sitting, waiting sometimes, and having the customers take their cars until we are able to get the parts. Obviously, we do not let a car go if it's not safe or legal to drive. If it's cosmetic, it's simple. If we can make a temporary repair to at least put the car on the road for the time being, we will do that. Once the part(s) come in, we get the car back in the shop.

Bob: What we do is, for all the drivable cars, we pre-order all of the parts. We try to "vet" the time that it will take for the parts to be delivered. The "non-drivable" vehicles are where the challenges arise. Quite honestly if there are airbags or items that are going to impede us from finishing the job due to availability issues, more often than not, we are totaling the car.

Randy: Anything that's drivable, common sense says order all the parts that you need and have them ready at your shop before you take the vehicle into your facility. Especially if there is a major part that is needed. The only tricky part of this is that the insurance company is making such poor allowances for parts choice. Then there is making sure that you educate your customer to let them know that there may be a shortcoming and that they are going to be on the short end of it. They're going to have to pay to get their car fixed properly.

Do you have to pay a premium to get parts faster?

Joe: We do. We will pay the premium. If we need to pay for shipping, we will pass that along to the insurance company and we typically have no problem getting paid for that because we are more than likely cutting the cost of a rental (if the insurance company is paying for that) by reducing the time needed for that rental.

Eddie: Sometimes you DO have pay to a big premium to get parts and keep your customer happy.

Tony: Yes, there is a premium. What happens is we get less of a discount from the vendor where we locate the parts. It's a supply chain issue. Supply vs. Demand. We pass it on to the insurer as a cost of getting the parts so we can get the customer out of the rental. So basically, we are saving the insurance company money by reducing the customer's rental time. We have not had the need to pass along any of the costs to the customer. We did have an issue with one vehicle that we waited over 3 weeks to get a front bumper, and the insurance company refused to pay the extra time for a rental.

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In the end, once we put in a complaint with the Department of Insurance, the insurer complied and paid for the rental. If shops are having problems with parts availability and the insurer is refusing to pay for the rental, they need to file a complaint with the Department of insurance.

Bob: Premium prices don't matter. They either have the part, or they don't. In our world, when a part costs more, we make more. So, it's really inconsequential to us. If a part costs more, we make more. If a part costs less, we make less. On parts! It's a non-factor for us. Parts prices are what they are. I don't make the prices; I don't control the prices. If we have a customer who is impatient and can't wait, we give them the customer service phone number for the manufacturer. We recently had an issue with a part from Mazda that was not available. We supply the customer with the parts number and ask the customer to call American Mazda to find out why they can't get the part. This, at least, removes us from the availability equation.

Randy: I'm not going to call it a premium, I'm going to call it the going rate. Let's say that you have to put a used part on the vehicle that you would normally use a new part from the factory, because the new part is not available, most of the time, you end up paying MORE for the used part than you do for the new. Now you end up going through a dog and pony show for the insurance company so you can get them to acknowledge that the used part is going to cost more than the new part. But the rental keeps going. On a 3rd party they take that into consideration, and they just let you keep working. But it still takes so much administrative time to connect the dots when you start moving those types of issues around trying to create the workflow.

Are you using online locators to find parts or does your parts vendor offer that service?

Joe: Some of them will and some won't. It really depends on the dealer and the person you're dealing with. We will even tell the dealer that if they locate the part for us and need to charge us a premium for doing so, that's fine. We can both make money. If they can't or won't locate the part, we have to remember that they may be in a situation where they are shorthanded. We know of some dealers who are limited in what they can overnight and in that case, they (the dealer) has to save some of that overnight for their own repair shops. If that's the case, we will locate it ourselves. It's a struggle.

Eddie: Many of my vendors offer to locate parts. Even the yard I used, Bishop's Auto Parts are a member of a co-op, and they have a network of yards that they use to locate used parts. They were very helpful in finding those 2 doors for the Toyota.

Tony: One of our Vendors, Lorensen Auto, their Wholesale Parts Director Dave does a great job of contacting his people at the dealerships to hunt down parts at other dealers to locate parts throughout the country. So, yes. Our parts vendors, not all of them, offer this convenience to help us locate parts. Sometimes vendors will tell us who has the part, and we have to contact that dealer directly and arrange the shipment.

Bob: Many vendors have a parts locator for new parts but for the most part, we will locate new or used parts ourselves. The less people involved, the more streamlined the process.

Randy: Before COVID, it was easy for our vendors to cooperate in helping us locate parts. After COVID, their biggest problem is they don't have enough time to do what they do, especially when you're trying to price match parts, which, by the way, we don't price match in our business here. They do try and locate whenever they can. We find it takes more time to fill orders. They have all had staffing issues. We have seen more of an increase of parts salespeople delivering parts than ever before. There are even instances where they can't deliver the parts for 2-3 days because of staffing issues.

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We don't have anyone to spare to pick up those parts, so we have to wait. We also have our normal locating services that everyone uses to try and locate parts.

Are you buying used parts just so you can cycle vehicles through your shop?

Joe: We've done that a few times. If there's a part that we've been waiting for and the clock is ticking on the customers 30-day rental, we get the customer involved and let them know that we've tried as best we can to track down the new part for their car, (whatever part that may be) and we are right up front with them and offer them potential solutions. If the customer agrees, we will do everything we can to make sure that used part is as perfect as can be and put that part on the car. This sometimes avoid the customer having to pay any rental fee that is beyond the 30 days allowed by the insurance company.

Eddie: We had a Toyota Highlander in our shop that needed 2 doors. Neither door was repairable. They needed to be replaced. Period. Of course, these doors were not readily available from Toyota as they were back ordered with no release date. The new doors cost around \$780.00. After several weeks of waiting, I reached out to the insurance company and let them know that since the customer is now out of a rental, I managed to find used doors but besides having to drive to New Hampshire to get them, I needed approval on the cost of the doors. One of them cost \$1860.00. USED! The other door was almost equally outrageous at \$1400.00. So, the insurance company agreed to pay for 2 used doors and shipping charges due to no availability on new doors.

Bob: We try to get creative with used parts, where applicable. I sent an employee to Cape Cod to pick up a fender that had 3 hours of damage and paid twice the amount of what a new fender would have cost. We go to bat for our customers when we're up against it. We try and shy away from the aftermarket at all costs but every once in a while, there is nothing you can do. In 37 years in business, I just got done replacing a radiator support with a used one for just the second time! 37 years! It was for a Honda Accord and that support is just non-existent. You must take care of your customers to the best of your ability. One of the "good things" that has come out of this pandemic is that people "begrudgingly" have learned how to become a little patient.

Randy: We're spending more time and time is money. We've had to substitute some used parts because new parts were just not available. It's just not practical to wait several weeks to wait for the part. It's become such an issue hunting down parts, paying for the shipping, reconditioning those parts to bring them up to the standards of that vehicle. So all of this extra work and there is no real help from the insurance company. They basically say, "tough luck, that's all we're going to do, that all were going to give you."

How do you deal with the interrupted workflow in your shop?

Joe: It's a struggle really. Because of the way our shop is set up, there are a few things that parts shortages affect. We use "parts carts" for all the damaged parts, so every car has a "parts cart" with all of the damaged parts on it. We have different locations in the shop where all the carts sit depending on where the car is. It's a specific area that those parts are kept, and we run out of space in that area because we are waiting for so many parts! Another problem we have is that cars are sitting in our parking lot waiting for parts. Because of parts shortages we've had to put in additional parking to take care of the overflow of vehicles. We had an outside company come in and expand our parking lot because we had no where to park the cars.

Eddie: You overschedule. You are bound to run into issues with parts shortages. This way, we always seem to have work even if we are being held up with backordered parts. It also helps to have the right type of work scheduled.

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Tony: It's a challenge. It's been a problem. It affects your budget; you have more vehicles sitting outside waiting for parts. Some of the cars are not drivable. Some are in your shop so there are storage issues. We are constantly moving vehicles around in the shop, moving them in and out of the building. There are parking challenges. It's not simple. Also, you need to do a good job blueprinting the job so that you don't place a vehicle on a piece of equipment knowing that it could be tied up for an extended period due to parts not being available.

Bob: We are lucky that we have so much work, so much volume that we are able to work around most disruptions. The real benefit of keeping the work flowing is making sure to pre-order your parts and doing research before you bring in the drivable vehicles. We don't often have vehicles tied up in the shop waiting for parts. That's where the back-up begins. There are unforeseen events at times that you can't plan for. It happens. My staff here have done a great job of pre-planning so there are few, if any, surprises.

Randy: Well, that is not that big of an issue because you are parking vehicles until all the blueprint requirements have been fulfilled. Once that happens you can put the vehicle into production. If you put that vehicle into production before you have all your answers, all you'll end up with is a bunch of cars all taken apart with no workflow. We stage the vehicles, do a proper blueprint, order the parts and then we just put the car aside until everything falls into place. 30% of our work is waiting on parts and insurance companies. The insurance companies have increased the amount of time it takes for them to come out and do their job.

Do you have your own rental units?

Joe: We do not. We have one loaner car if we absolutely need to, but we try not to. It's for emergencies only.

Eddie: We have 3 loaner cars that help us keep our customers happy when they are out of their rentals. It's a customer satisfaction deal.

Tony: We do not have any rental vehicles.

Bob: No, we do not.

Randy: No, we do not.

How do you deal with rental coverage that runs out due to parts shortages?

Joe: Good insurance companies understand and will sometimes extend the customer's rental beyond the 30 days, but they can only extend it a certain amount of time, it depends on the company. Other insurance companies have their strict policy of 30 days and that's it. What we attempt to do in that situation is try and assemble the customer's car the best we can. Let's use this Range Rover I have in my shop right now; we are waiting for a headlight that is on back-order. The only thing wrong with the headlamp is that there is a tab broken off. The tab is an important piece of the lamp, and it does need replacement, but we can at least let the customer take their vehicle by putting the old headlamp back in the vehicle until the new headlamp comes in. At least the vehicle can legally be put back on the road and the customer will not have to pay for a rental just because the insurance company will not.

Eddie: If a customer runs out of rental, we do have 3 loaner vehicles that we can have our customer use if need be.

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Tony: File a complaint with the Department of Insurance. You're going to have more success with a 3rd party loss rather than insured, but if you get the customer involved, even if it's the insured, a complaint filed with the DOI can ultimately make a difference.

Bob: Here again; if they are claimants, I've had insurance companies factor in the amount when they're totaled. We don't deal with Allstate anymore so that subject is moot. Allstate won't even pay for rentals. With insurers, and we try to avoid it, we prepare them, and we let them know up front and as early in the repair as possible that there may be an issue with their rental after the 30 days is up. We tell them that they will have to pay for that rental. It is not my problem; it is not caused by me, and I will not take ownership of that problem.

Randy: Well, because for the last 2 and a half years this has been an issue, and we are right up front with all of our customers that if this is third party there's a good chance that we can get it covered. If it's first party under contract with a 30-day policy limit, if you have alternative transportation, you may need it after the 30 days or you may be paying for the rental out of pocket.

Are you having to pass the cost for items not paid for by the insurance company to you customers?

Joe: Parts-wise, we do ok by not passing the charge on to the customer. We make sure the insurance company pays the extra charges that we must incur to get the parts we need to repair the vehicle. There are certain companies that we work with who won't pay our labor rate, they won't pay for certain operations to fix the car properly, won't pay for this or that, so we try and have these conversations up front with our customers if they are insured by a company that we have struggled with in the past. We tell our customer that there may be a discrepancy between our bill and what your insurance company is willing to pay, and you (the customer) will need to make up that difference. It's all about being up front and educating your customer right from that start. Some customers are ok with it and are willing to pay the difference, some people understand, other people may decide to pull the vehicle out of the shop. It depends on the customer but at least we were up front with them and had this conversation before any repairs to their vehicle and there are no surprises.

Eddie: We haven't had many. But we do when we can't get paid from the insurance company.

Tony: You need to be educating your customer right from the beginning of the job that there may be costs associated with the repair that their insurance company may not cover all of the required repairs; especially if you have prior knowledge with that particular insurance company denying to pay for associated repairs and procedures. You need to inform your customer that they may be paying the difference. We will assist the customer any way we can to justify the repair costs so that the customer understands that those procedures were necessary to repair their cars safely. We do this through documentation from the manufacturer, so the customer knows what's required. For the most part, if you educate your customer and you get the customer involved, the insurance company is more likely to pay for the required repairs that you performed on the customer's vehicle. BUT there are still some insurers who will keep denying required repairs to vehicles. So, you must bill your customer for the difference.

Bob: When we can't come to an agreement with the insurance company, we are left with three choices:

1. the customer must pay
2. we, as a company have to make a decision to lose money, which we obviously don't want to or,
3. we give the customer the option if they don't have the funds to litigate.

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Randy: Yes. As I have mentioned to our ABAC President Bob Amendola, we have choices. We can refuse the job because we just don't want to be hassled, we can eat the difference (which we have done in the past and it's not profitable), we can pass it on to the consumer which it really needs to be (it's their car), or we can litigate when possible, which I've done my share of in the last five years. As far as measuring the success of litigation, we're probably in the 85% range, so I think we do more than a good job for our customers. And our customers are aware of litigation right from the start if we don't get paid. Educating your customer up front is the only way to deal with these issues. We won't blindsides our customers at the end of a job telling them that they owe us money.

Have you ever dropped DRP relations with any insurance companies due to the company not properly compensating for repairs?

Joe: No. We only have a relationship with one insurance company and that is Amica. They are a really great company. They are all about customer service. They will go right off the sheet that we write, and we never really have any issues with them. They are the only "DRP" that we've ever dealt with. I will say that we do not have any other relationships with companies, but we do refuse to do any work for Allstate, and we are not doing any work for Progressive. It's too much of a battle with these 2 companies and takes up a great deal of administrative time, it's never a good customer experience and because we work for the customer and not the insurance company, it was an easy decision for us.

Eddie: I did a big Social Media campaign about insurance companies who didn't pay for disinfecting vehicles. Geico wouldn't pay for disinfecting and wouldn't even acknowledge it as a repair cost. I felt that this operation was something that we had to do if we were going to continue to repair cars during this pandemic. I did a lot of Facebook posting to create awareness that Geico would refuse to perform this important operation. Another thing I can say is that we've had to distance ourselves in the past from certain adjusters who were not allowed in our shop due to their inefficient business practices.

Tony: First of all, we have no direct repair relationships, but we have certain insurers who make us put the customer in harm's way and we tell the customer that they are going to be responsible for paying the bill and you can proceed with collecting on the bill from this certain insurer. There's one insurer that has been bounced out of quite a few shops. We work with their customer because we don't feel that their customers should be penalized because this insurance company doesn't want to be fair and reasonable. I know of some shops who have actually stopped their relationships with several insurance companies like Allstate, State Farm and Progressive just to name a few.

Bob: Allstate. We have not dealt with Allstate for 2 years and it was one of the most refreshing and best decisions we've ever made for our business. **We will NEVER turn an Allstate customer away.** We educate our customer on what they could be dealing with if they choose to have their vehicle repaired by us. We let them know, up front, the nightmares they could be in for. We will give them the option of paying for the repair themselves and then they can go back to Allstate for reimbursement. I never thought that any customer would ever take us up on that but about 30% of our customers who are insured by Allstate have chosen to do so. After tear down, we try and write as complete an estimate as humanly possible. We have them pay 50% before we even start the job. When the car is complete, they pay the balance. Then they take their receipt to Allstate. Allstate proceeds to burn them and then we help our customer with a DOI complaint that may or may not make resolution. At that point we let them know that the only way they will get reimbursed is to take Allstate to small claims court. The burden is on them.

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If that customer unfortunately made a bad decision to use an insurer that is a Ponzi scheme (Allstate) you're stuck with them! I refuse to do any business with Allstate, even if it was my mother's vehicle.

Since I don't work for the insurance company and I only work for the registered owner, I don't think that's an issue for us. The insurance company doesn't run my shop. I've taken back my business.

Are you continuing to see COVID outbreaks in your shop? How are you dealing with that?

Joe: It sucks. This past winter was tough, but it looks like it is easing up a bit. The one issue that not many people realize is, when you lose an employee for even a short amount of time, there's a chain reaction in your shop. For example, if your painter is out, we have to pull one of our techs (who knows how to paint) that means we're down a technician and it slows down the assembly of vehicles and it just flows down to the rest of the team. We cross train employees try and staff the shop but there is no 100% solution. We recently hired an 18-year-old person who we want to learn how to buff and detail so that way in case one of the detailers are out, he can go and detail, if one of the buffers are out, he can go buff vehicles. Eventually we may train him how to prep cars in case we are short a prepper. That's how we deal with any outbreaks in our shop if they happen. If we can continue to cross train, we won't have that "gap" in our shop.

Eddie: We have had quarantines in our shop at 5-day intervals if they've been exposed to someone who was positive. We haven't had any spread of COVID. It's just been minor issues where an employee may have had a family member who tested positive, therefore the 5-day quarantine. We keep an eye on the symptoms.

Tony: It's pretty much made its way through my shop. Between Thanksgiving and the end of January, it was a major problem having employees out. We only test people now if they show any symptoms. We have test kits available in our shop. We still wear masks in the office when meeting with our customers. No one, other than employees, are allowed into the shop area.

Bob: We did have a couple of issues with the Omicron variant, but we just enforce the 5 day quarantine. We are hopefully past the horrible stage of this pandemic and can move forward and get back to doing business in a more normal way.

Randy: The biggest issue that we face pertaining to COVID is that the insurance companies continue to hide behind COVID to delay the inspection of the vehicle. They will not cooperate, and we do not anticipate using virtual. We won't send pictures, we will send a damage report, we will send a final invoice, but we WILL NOT send them pictures! That's their job. As far as our team here, everyone continues to stay healthy, I have the same team as I did from 3 years ago and I consider myself a lucky guy! I have a good core group of people here and I cherish them.

Is there anything you'd like to add?

Joe: I love my position as an ABAC Board member. I feel that I have a lot to learn and what better place to be than with other ABAC Directors to learn from. I like to hang out in the background and absorb as much as I can and try to provide value when I can. I'm hoping that my background in technology helps (5 years in software sales in Boston). I love that aspect of my job working with new technology especially in the automotive collision repair industry. Just the technology in new cars now is amazing. It's cool to see how it works and how to fix it and be around it. Hopefully I can bring the knowledge to the table at ABAC Board Meetings. When we think of an idea where new technology will help us, we immediately implement that idea. That's the fun part of working in this industry. I will say that you must be willing to adapt in order to succeed.

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If you can't make changes or if you have to battle your staff when those changes are made, you set yourself up for failure. Move forward. It breeds success!

Eddie: I am a thief of ideas! I don't come up with all of my ideas. Many of the ideas I've heard are from other people and I try to use those in my business to try and make them work. I think the ABAC is ultra-valuable in the sharing of ideas, sharing knowledge, having solutions for dealing with issues and getting members together to discuss important topics. I have been a part of the association for many, many years and I hope that some of the things I've had to share has helped other members. We are all in this together.

Tony: I'd like to send a message to all shops that they need to get involved so that they can get the most up to date information and education to help them run their businesses properly. You get your information from successful people in the ABAC and as we all know, there is strength in numbers and power in unity. These phrases may sound overused, however, now, more than ever, the collection of professionals involved in the Auto Body Association of Connecticut have proven time and time again that we can make things happen just by educating the proper people. Some of these insurance companies are going to try to beat up their direct repair shops for more and more concessions. Refer to article on page 13-14. Allstate for one, is trying to mandate where you will buy your parts from. So, be a part of your association and make a difference.

Bob: There is strength in numbers. If you are not part of the Auto Body Association of Connecticut, you're not part of that strength. We have had an unprecedented number of new members this past year, even in a diminishing market. I think more and more shops are understanding the value that the ABAC presents for our industry. It seems the costs of doing business was always swept under the rug; the paint & materials, all the incurred expenses; the inflation, etc. Don't kid yourself. The Auto Body Association will NEVER tell you what you should charge, but we can tell you how to go about recovering your expenses and how to get paid for the professional work that you do.

Randy: There will be an ABAC membership meeting coming up on March 8th and while I will be a guest speaker at this event, everyone needs to know that I won't be doing this alone. I will have great support. There are a lot of ABAC members that are on the same page. What we're thinking is we need to:

- ✓ Run a good clean operation for repairing
- ✓ We need to take back our business from someone who has no business in our business

I hope to see as many as possible at this meeting. Everyone attending will certainly prosper from the information that you will receive from your Auto Body Association of Connecticut!

Thank you to these 5 member shops for sharing their knowledge, ideas and solutions to the very problems that all shop owners encounter at some point in their day-to-day operations.

Please join the ABAC at our next meeting Tuesday March 8th, 2022. See flyer insert for details!

Submitted by Don Cushing

Unity is Strength - Knowledge is Power - Attitude is Everything

The Undeniable Value of Being a Member of the Auto Body Association of Connecticut



ABAC Vice-President - Ashley Burzenski

Throughout these challenging times, one of the few things that has remained a constant is the unity we have together throughout our association. The camaraderie we share to be able to call your neighboring shop and bounce ideas around or troubleshoot various issues is truly invaluable. We are very fortunate to have the network to do so across the entire state because of our association.

Resources, education, helpful documents, legislative representation, industry news and research are just a few of the many benefits our association offers our membership. Our board remains hard at work to find ways to put forth useful tools, helpful information and resources as well as interesting content for the membership. Their dedication to the membership they serve is admirable to say the least.

So, if you are reading this and you are not currently a member, consider this a friendly nudge to join. We believe you will quickly see the value in it and are eager to welcome you on board.

Until next time,

Ashley

**Ashley Burzenski can be reached at
autoworksofwestville@gmail.com**

Allstate looks to ‘mitigate repair costs’ through agreements, expects little pushback on auto insurance rate increases

As Allstate raises rates to cope with rising auto insurance costs, it will also be looking to “mitigate repair costs” through its partnerships with repair shops and parts suppliers, a company executive told investors during a Q4 earnings call.

The approach may signal that the claims settlement process is about to get even more challenging as Allstate seeks to reduce the number of dollars it spends on repairs.

“Beyond expense reductions and rate increases, we’re also leveraging advanced claim capabilities to mitigate loss cost pressure for our customers,” Glenn Shapiro, president, Personal Property-Liability, told investors on Feb. 3. “We’re broadening strategic partnerships with part suppliers and repair facilities to mitigate repair costs. We’re using advanced claim analytics and predictive modeling tools to optimize repair versus total loss decisions and to assess the likelihood for injury and attorney representation on casualty claims,” Shapiro said.

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"The bottom line is we are highly confident in our ability to restore auto profitability to targeted levels," he said.

On the income side of the ledger, Allstate has announced to the industry that they're increasing their rates as their costs rise, and that they see no reason why regulators at the state level would not approve their "justifiable and supportable" new rates.

Allstate raised auto insurance rates an average of 7% in 25 states in the last quarter of 2021, and will continue seeking higher rates, even in states that have already seen an increase, executives told investors. Shapiro said that increases in auto severity "reflect inflationary pressure across coverages, with a number of underlying components of severity rising faster than core inflation."

Allstate did not respond to a request from Repairer Driven News to outline how "broadening" their relations with the insurer might affect the repair shops and parts suppliers it works with, who are facing inflationary pressures of their own.

Auto Insurance Loss Costs Impacted by Inflationary Pressures

Auto repair costs have contributed to a 43% increase in Allstate's expenses in Q4, to over \$11.6 billion, the company said in a statement. Allstate's P&C combined ratio for its auto insurance business rose to 104.3%, meaning that it spent \$104.30 for every \$100 it collected in premiums. By comparison, the combined ratio for its homeowners' policies was 87.1%.

2021 was a year of "two distinct halves as it related to profitability of auto insurance," Allstate CEO Tom Wilson said. While income for the first six months totaled more than \$1.7 billion, thanks to lower accident frequency and offset increased claims severity, that changed in the third and fourth quarters. "In the second half of the year, auto claim frequency continued to increase towards pre-pandemic levels and the cost of repairing cars and settling bodily injury claims accelerated," Wilson said.

Shapiro said auto property damage frequency rose 21.5% in the fourth quarter of 2021 compared to 2020 but was down 13.3% compared to 2019. Although miles driven are approaching pre-pandemic levels, he said, that's been moderated by a "meaningful" change in time-of-day driving.

Shapiro said higher used car values and rising "OEM parts and labor rates" in 2021 have resulted in higher severities and coverages like collision and property damage. Asked for a "sort of a state of the union on the regulatory front," given inflationary pressures consumers are facing, Wilson said Allstate has been successful at making the case for rate increases and sees no reason why it should not continue to be.

"We are continuing to go at a very fast pace across other states and even in some cases, the same states, again, with rate increases as we get new data and new trends," he said. "And to this point, we have – you're always going to experience some discussions, some push on the data, some negotiation, if you will, and some back and forth."

Rate increases are "less a political issue than it is a reality issue of looking at the numbers and what is the justifiable and supportable rate increase," Wilson said. "We'll have pushback in places, and we'll have discussions and give and take. But overall, we're getting the rates that we need, and we're going to continue to do that."

Source: www.RepairerDrivenNews.com

Steps to take against COVID-19 & to ensure disinfectants are effective



Nearly two years into the COVID-19 pandemic, repairers are likely well aware that steps need to be taken to prevent the spread of the virus, but as new variants arise and spur questions from consumers about protocols Repairer Driven News looked into what the best steps are and which disinfectants are effective according to the Centers for Disease Control and Prevention and the Environmental Protection Agency.

Repairers should consider wearing PPE, like an N95 mask and gloves while working on vehicles, and can get creative on how to cover surfaces to avoid touching them such as putting a dry cleaner bag over a seat back and another barrier on the rest of the seat.

While the CDC says the risk of COVID-19 infection is low from touching surfaces, it still recommends regular handwashing with soap and water or using alcohol-based hand sanitizer as precautionary measures. Regular cleaning and application of disinfectant to surfaces can also reduce the risk of virus spread, according to the CDC.

The CDC recommends putting a wipeable cover on electronics, such as tablets or kiosks, to make cleaning and disinfecting easier. Spraying cleaning products or disinfectants in outdoor areas isn't necessary, effective, or recommended, but outdoor high-touch surfaces made of plastic or metal should be cleaned regularly.

The EPA notes that fogging, fumigating, and wide-area or electrostatic spraying should only be done if the product label includes directions for the application methods. The agency says it can't verify if or when it's appropriate to use UV lights or ozone generators to disinfect.

Nearly 600 disinfectants are on the EPA's N-list, which the agency says will kill all strains and variants of COVID-19 when they're used according to the label directions. The list includes several Lysol, Clorox, and bleach products in both wipes, sprays, and dilutable concentrates or solutions. When using the N-list the first two parts of the EPA registration number, not the product name, should be used to identify products. Repairers should make sure the products used are safe for the vehicle surfaces. The EPA includes on the list how long a surface must stay visibly wet with disinfectant to be effective against COVID-19.

Regardless of which disinfectants are used repairers should avoid telling customers their cars have been disinfected as it may not be fool proof since many are 99.9% effective and could leave virus particles behind. Instead, let customers know a disinfectant was used.

Those who haven't done so already should develop policies to protect and train workers before assigning cleaning and disinfecting tasks.

It's important to remember that COVID-19 is an airborne virus so care should be taken to avoid blowing it into the air during vacuuming or using other tools that emit air. Using a vacuum with a HEPA filter and bags is best, according to the CDC. In-room, window-mounted, or on-wall recirculation HVAC systems should be turned off while vacuuming to avoid contaminating them. Central HVAC systems should be left on.

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When cleaning the shop, if no one has tested positive or is suspected of having the virus the CDC says cleaning surfaces once a day is usually enough. More frequent cleaning may be necessary for high-traffic areas or those with a large number of people, poorly ventilated spaces, where there isn't handwashing or hand sanitizer access or is occupied by people at increased risk for severe illness from COVID-19.

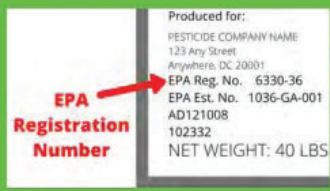
Another precaution repairers can take is to shower and wash their clothes at the end of every shift. The CDC recommends using the warmest appropriate water setting and to dry items completely.

Source: www.RepairerDrivenNews.com

EPA expects all products on List N to kill SARS-CoV-2, the specific coronavirus that causes COVID-19

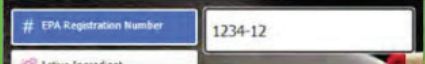
I already have a product. Does it kill SARS-CoV-2?

???




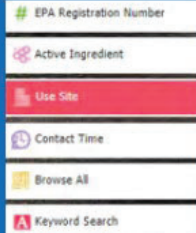
Find the EPA Registration Number on the label

Enter only the first two parts of the Registration Number



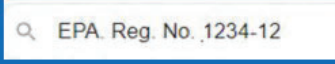
If that number is on List N, EPA expects the product to kill SARS-CoV-2 ✓

I need to find a product to kill SARS-CoV-2.

Use List N's Search Tool to browse products

Use the first two parts of the EPA registration number when searching for products to purchase



If you need a more advanced search, choose "Export to CSV." Use Excel, Sheets, or Numbers to filter ✓

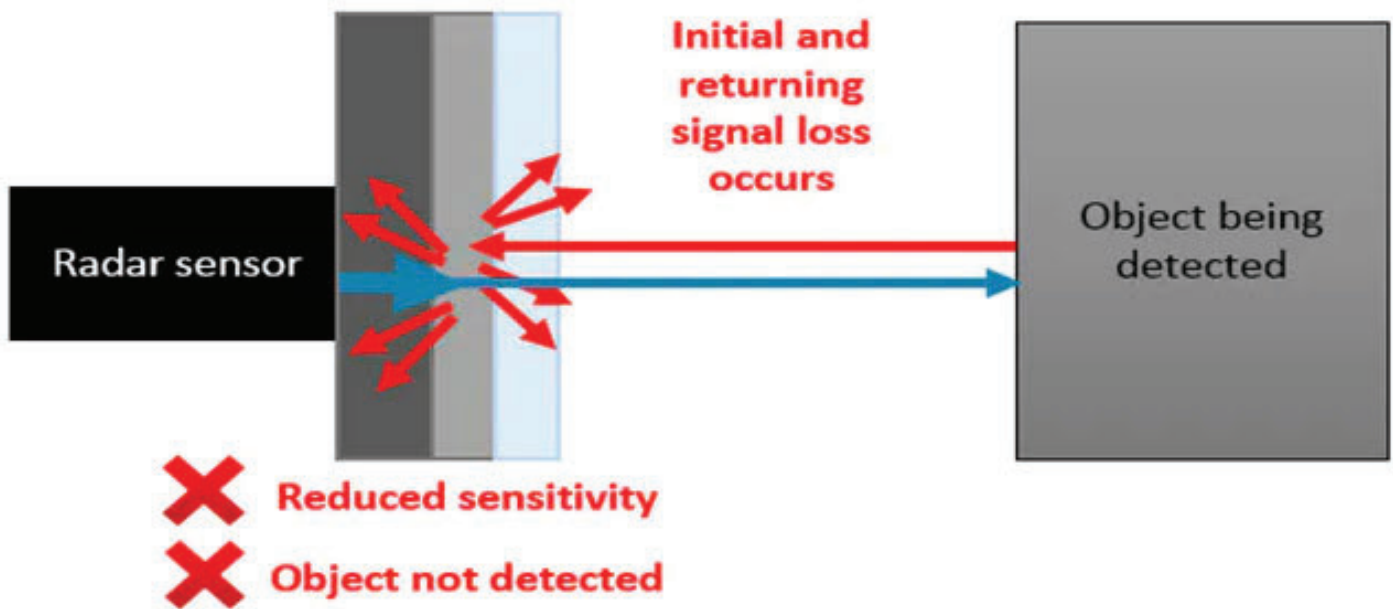
Research finds some metallic finishes interfere with ADAS operation



Research by PPG has found that the use of some metallic finishes on repainted bumper covers can interfere with the operation of radar units located behind them, according to the company's global products and segments director.

PPG's research, conducted in partnership with a number of OEMs to calculate the impact of dozens of colors on repainted bumpers, found that while the majority of colors do not affect advanced driver assistance systems (ADAS) functionality, "a handful of metallic finishes did pose an issue," Nick Tullett said in the Feb. 7 issue of Coatings World magazine.

"At certain concentrations, the aluminum pigments used in metallic paints can reduce the transmission of RADAR signals and may interfere with the operation of the ADAS," Tullett reported. He did not mention specific finishes.



One possible solution, he said, is to replace the aluminum particles with alternatives that do not interfere with the transmission of radar waves. These finishes, he said, are a good match to the vehicle's original finish, and allow the ADAS systems to function as designed.

Tullett predicted that the impact of metallic finishes will be "an increasing industry-wide issue," with 85 percent of all new cars expected to be equipped with radar by 2025. According to PPG's sources, one in four new cars has a metallic finish. Radar is a key component in most automakers' crash-avoidance systems, and is considered indispensable for semi-autonomous and, perhaps eventually, fully autonomous driving.

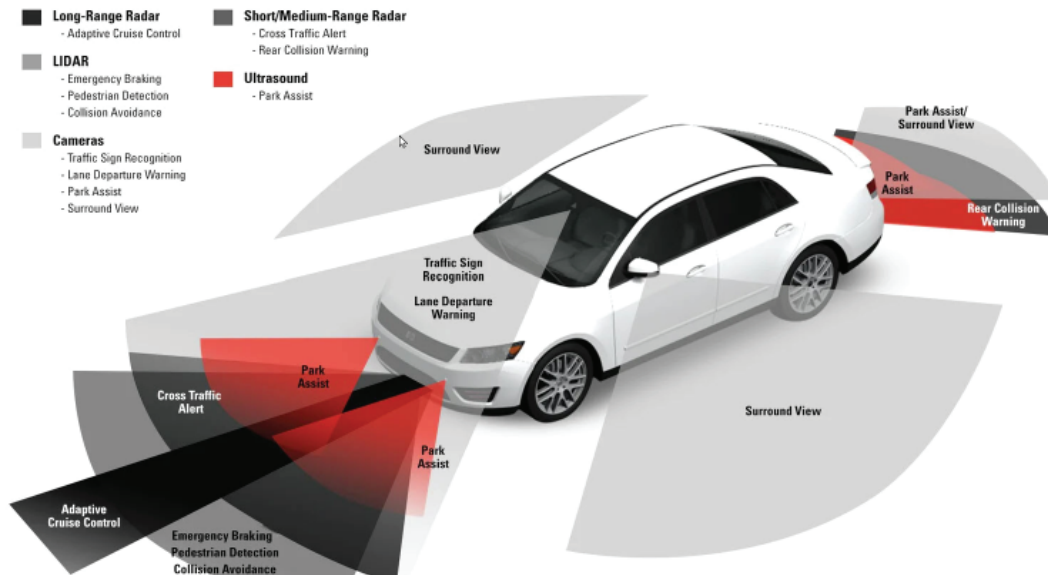
Tullett said the metallic finish issue points up the need for the development of technical standards for coatings performance and measurements as more and increasingly complex ADAS-equipped vehicles take to the roads.

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"A technical standard developed by one or more organizations (i.e., carmakers, trade associations, paint and coatings suppliers, or regulatory bodies) addressing the acceptable loss of RADAR transmission following a collision will be necessary for worldwide use as the ADAS market swells," he said.

In addition, he said, OEMs and paint and coatings suppliers will need to take a greater role in setting the direction for repairs, with guidelines, technical and service bulletins, training and tutorials, to ensure drivers remain safe."



"It will be critical for collision repair technicians to receive proper training on ADAS from identifying ADAS in vehicles (it's hard to detect visually) and recalibrating ADAS sensors to understanding the impact of new layers of certain metallic finishes in the repair process," he said.

One such training initiative is PPG's own Knowledge College, an online learning management system.

Some OEMs have already addressed the role that paint thickness can play in the operation of ADAS radar and sonar sensors, with a variety of directions for the repairer.

General Motors, for instance, prohibits the use of all "aftermarket, reconditioned, or salvage" bumper fascias" on ADAS-equipped vehicles, and limits painting to topcoat refinish only.

GM states that "topcoat refinish material thickness of repaired ADAS Bumper Fascia systems must not exceed 13 mils in thickness. Any repairs such as gouges, tears or damage that requires the use of substrate repair material or reinforcement tapes must be avoided."

Volkswagen has also issued guidance for bumper cover repair, covering multiple vehicles over a range of model years.

According to Volkswagen's official erWin repair procedures, bumper fascia paint thickness can't exceed 150 micrometers (about 5.91 mils) around lane change assistance control modules. No plastic repair or smoothing work within at least a 25-centimeter diameter with the module in the center, and spot repair of the fascia directly above the module is forbidden.

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“Triple painting” is not allowed, and repairers are instructed to check the customer’s bumper cover to see if it was already repaired once.

Ford has its own approach to the repair of bumper covers on ADAS-equipped vehicles. According to the company’s June 2021 position statement, “Repair of bumper fascias using fillers, reinforcement tape, hot staples or plastic welding can adversely affect ADAS operation. For this reason, Ford Motor Company is limiting repairs on front and rear bumper fascias on all Ford Motor Company vehicles equipped with any ADAS features to topcoat refinish only. Topcoat finish cannot exceed 12 mils (300 microns) in total thickness. Any bumper fascia damage that requires substrate repairs must be replaced.”

Ford prohibits the use of reconditioned, refurbished or salvage bumper fascias, which “may have been repaired using substrate repairs, including the use of filler material, plastic welding and hot staples, which can interfere with ADAS operation.”

Volvo specifically addresses the issue of metallic paint on vehicles equipped with its BLIS, or Blind Spot Information System, technology. “Since metallic particles in car paint can deflect and/or distort radar beam energy transmitted through painted bumpers, it is important to minimize the total thickness of metallic paint by removing the old, damaged coating before applying any new layers,” the company said in a recent position statement. The paint used must be approved within the established collaboration Paint Information Aftersales (PIA), Volvo said, in order to “ensure the right quality level.”

Another area of concern is the relationship between vehicle color and lidar operation. Lidar, which stands for “light detection and ranging,” works by firing a beam of laser light at an object, and then capturing the reflection of that beam.

Dark colors tend to be difficult for lidar units to detect, because they absorb light, Daniel Ferris, a scientist with BASF’s OEM Coatings division, said during a Collision Industry Conference presentation in November. The culprit is carbon black, a common ingredient in paint mixtures.

One possible solution BASF is exploring, Ferris said, is the substitution of “organic black” materials that absorb visible light but reflect infrared light. While “your eye detects them as being a nice shade of black,” they return 80 to 90 percent of a lidar unit’s laser beam.

In the Coatings World article, Tullett notes that radar units and other ADAS components are often located in “in peripheral, easy-to-damage car parts like windshields and bumpers.”

Initially, he said, OEMs required repairers to always “replace damaged bumpers instead of repairing them,” but this “proved costly and received significant pushback from car insurance companies.”

Consequently, he said, paint companies have worked with OEMs to find “a more cost-effective and environmentally responsible solution” that allows the bumper cover to be repaired in certain circumstances.

Greater collaboration between paint suppliers and OEMs, Tullett said, will benefit the advancement of next-generation ADAS technologies. Currently, PPG works with vehicle manufacturers on colors in the preliminary research stage, rather than after final approvals, to gauge the effect of finishes on ADAS functionality.

“As a result, automakers are even looking five years out when choosing color styles to stay ahead of the emerging mobility trends and the increasing production of electric vehicles,” he said.

Source: www.RepairerDrivenNews.com

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