

Auto Body Association of Connecticut Hosts Educational Seminar for Members



***Membership Meeting is the First
Live Event Held in Over 17 Months!***

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ABAC President's Message

Bob Amendola

2021 Review & Hope for 2022



Before I begin, I want each and every one of our members and advertisers alike to give yourself a pat on the back. 2021 proved to be another year full of challenges and hurdles for us all, but we made it. I also want to thank you for sticking with us and leaning in. I want you all to know that despite all of the challenges throughout this past year, your association is still pulling for you and pedaling hard to make a better tomorrow for us all. As we get ready to say goodbye to 2021 and welcome 2022, I would like to provide a sort of year in review and well wishes for the new year ahead of us.

Throughout the last year, our Board of Directors have continued to meet on a monthly basis to discuss the various issues at the forefront of our day-to-day operations and brainstorm ways to combat them. Our legal counsel, Attorney John Parese and our lobbyist, Andy Markowski communicated with the Department of Insurance regarding shops being compensated for applying pre & post repair sanitizing solution regarding the COVID-19 pandemic. We had a meeting with Randy Serkey's attorney to address short pays through legal action and creating a Litigatable file.

Our lobbyist, Andy Markowski successfully and continuously monitored proposed legislation throughout the year. We reached out to the Department of Insurance advocating against insurance overreach and the use of virtual estimates/desk reviews, reminding them of the specific laws we already have in place that must be upheld. We created a ABAC consumer complaint document to notify the association of violations as well as educate and empower the membership to help their customers file complaints with the Department of Insurance.

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Throughout the year we completed another successful advertising campaign with encompassed social media, billboards throughout the state and AMP radio ads at local gas stations across the state. A private group for our member shops was formed on Facebook where ideas, thoughts and helpful information can be shared. Our Board of Directors and partners have regularly contributed meaningful and informative content for our ABAC Newsletters delivered right to your door. In an effort to gather helpful and insightful data, we hired economist Fred Jennings to perform a study and report for our association. We also were happy to have the opportunity to continue our partnership with the CT Tech School System by meeting with their department leads and instructors to discuss their program, how we can support them and how they can help mold them to be successful in our industry.

Finally, we were able to meet together twice for in-person meetings. The first meeting was held at Airport Road Auto Body in Hartford for a Keco presentation and the second was hosted at Seasons in Foxon for an ask-the-panel based meeting. It was so great to be able to meet in person again. I am hopeful that we will be able to meet more in the upcoming year.

Despite all of the challenges we've all faced in the last year, this year still proved to be productive for us as an association. We plan to build on this year for a more better year to come.

I hope you all enjoy a safe and happy holiday season with your loved ones. I wish you a healthy and prosperous new year and I look forward to working alongside you.

All the best,

Bob

Bob Amendola
Autoworks of Westville - New Haven
President - Auto Body Association of Connecticut



A very special "Thank You" to all of our ABAC News Supporting Advertisers and our ABAC Corporate Sponsors for their financial involvement with the Auto Body Association in 2021.

The ABAC hope you all have a Happy & Prosperous New Year!

Please remember to Support Those Who Support You!

ABAC Membership Meeting Brings Shop Owners & Managers Back Together!

The Auto Body Association of Connecticut once again delivers on keeping members informed and educated post pandemic



ABAC President Bob Amendola welcomed the 80+ attendees that joined together this past November 9th at Seasons Restaurant in East Haven for a long overdue meeting. Bob was certainly happy to see everyone after more than 18 months has passed due to the pandemic. ***"It's great to see our colleagues out to this event this evening. It's been a long road and many things have happened since we last got together. I hope that we've been able to keep you as up to date as possible with our communications such as emails, fax blasts, texts and the ABAC Newsletter. My Executive Team and Board of Directors have continued to work together to assist members in any way we can. Keeping all of you educated is one of the most important aspects of my focus, and tonight we will continue that theme with our panel of shop owners and our ABAC Legal Counsel will attempt to offer you answers to your questions. As you will hear me say more than once tonight, the time is here, and, as an industry, if we don't stand up, we will no longer exist as that industry. We want to keep you as informed as possible so that we continue to work together. Please, never hesitate to reach out to any one of your Board Members for help. That's our mission as your association,*** said Amendola.

"I'd also like to thank all of our ABAC Corporate Sponsors and our ABAC News Supporting Advertisers. Everyone currently listed in our newsletter has continued to support the ABAC throughout this pandemic and the best way to thank them is to purchase from them. Remember to Support Those Who Support You," Bob continued.

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Tonight's event would not be possible without one of those ABAC Supporting Advertisers, said Amendola. I'd like to give a big "Thank You" to Albert Kemperle Auto Paint, Body & Equipment. They have been such an integral part of our association for a very long time," he continued.

Albert Kemperle was represented by:

- Sean Vandale - Regional Director
- David Esposito - Territory Sales Manager
- David Lyon - Technical Manager
- Tom Streeter - Tech Support
- Cesar Soto - Tech Support
- Brendan Gallagher - Account Mgr.
- Chris Masi - Account Mgr.
- Denise Cassarino - Account Mgr.
- Michael Meneo - Account Mgr.
- William Anton - Account Mgr.
- Zack Lane - Account Mgr.
- Joe Duhamel - Account Mgr.

Amendola then presented a list of activities that the ABAC Board of Directors have been involved with since March of 2020, which was the last formal ABAC Meeting. Here's what they've been involved in doing:

- Monthly Board meetings via Zoom and in person
- Meeting with Randy's attorney to address the best way to approach legal actions on short pays
- ABAC Attorney and Lobbyist communicating with The DOI regarding shops getting paid for sanitizing vehicles
- ABAC Lobbyist continually monitoring proposed legislation
- ABAC reaching out to the DOI advocating against insurance companies overreaching with mandating virtual estimates & desk reviews, etc.
- Reminding the DOI of the CT regulations and their need to uphold them
- Promoting members to file complaints with the DOI
- Consumer ad campaigns via AMP Radio & Billboards
- ABAC Board contributing content for ABAC News articles through interviews
- ABAC Attorney working with SCRS to save the 1963 Consent Decree

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- Zoom meeting with the Attorney General and ABAC Board members to discuss having another meeting with insurance company representatives
- Economist Fred Jennings prepared a Labor Rate Study report for the ABAC
- ABAC Facebook Group formed for ABAC Member body shops to network and communicate on social media
- Sponsorship of the KECO Demo at Airport Road Auto Body
- Communicating and meeting with the CT State Tech Schools Dept Head and Instructors to get an understanding of the Collision Program's needs of materials and equipment for properly teaching the students - Another matching donation is currently being discussed at the board meetings

Bob then introduced ABAC Vice President Ashley Burzenski who presented a live demo on how to access the member's section of the website. On the members section of the website, you can find updates from the board of directors, helpful information, and resources that are useful to the day-to-day operations of our industry.

Moving into our Town Hall style format, the panel was introduced: Our Panel for the evening included ABAC President **Bob Amendola**, Vice President **Ashley Burzenski** both from Autoworks of Westville in New Haven, Immediate Past President **Tony Ferraiolo** from A&R Auto Body Specialty in Wallingford, Board of Director **Randy Serkey** from A&R Auto Body in Torrington and ABAC Legal Counsel **John Parese**. This panel fielded questions from the attendees. We have taken a few of the questions to highlight here:

Do I have to show my cost of goods to the insurance company?

Tony Ferraiolo: The insurance companies don't need to know what things are costing you. When you're doing a supplement or notice of deficiency and you have to furnish invoices for that job, ***you do not have to provide the information of what you paid for a product or service to the insurance company.*** As a matter of fact we had our attorney general stand behind us on this. Also, no one can tell you how much of a mark-up (profit margin) you need to do. That is your business. You can black out your cost. You can show them that you have performed the procedure, but your cost is your business. You paid for that part and it's your business on what to charge.

Bob Amendola: It's a fight, It's a fight every day for every one of us. But remember something. no one can sell insurance if there is no one to fix their cars for auto repair. We have become a vital part of the industry.

Can I charge pre-repair storage charges due to the appraisers' delay of inspection because their schedule is overloaded? Can I charge storage for a vehicle when I'm waiting 8-10 weeks for parts?

John Parese: When you look at the laws on storage, the DMV has regulations on this, and it says specifically that you (repair shop) need to post what your rates are and be transparent. When you are charging storage, and there are regulations to this effect, the main thing that you need to keep in mind is that whatever you charge needs to be transparently posted on your wall in your shop. Ultimately in court it needs to be commercially reasonable. So, if you wanted to succeed in a lawsuit, you need to prove both that your charge was conspicuously posted for your customers but that it was also commercially reasonable. If the vehicle is on your premises, tying up your space, potentially tying up an inside bay, possibly leaking fluid, etc., you are entitled to charge storage.

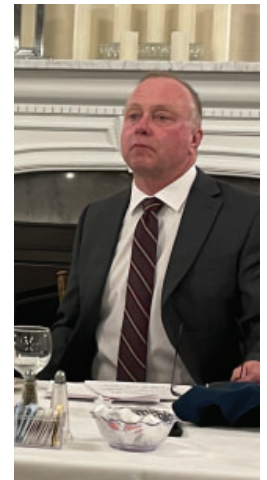
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If there's a delay because the insurance company didn't provide an appraiser, that is not your problem. You may charge storage. Give them a picture of your sign that is posted in your shop. I also encourage you, the shop owner, either on your repair contract or as a separate form, to have the consumer sign off acknowledging that they are aware that having the vehicle on your premises could cause a charge. There has been a tradition, in the industry, of giving a courtesy to the insurance company if you're fixing the vehicle. Well, I would say that they've worn out that welcome. They don't deserve it anymore. So, the short answer is, yes you can charge storage. I've gone to court on this many times. I typically win. I've had a couple that I've lost, one of which the rates were too high. I encourage you to charge storage and if they won't pay, immediately file a complaint with the Department of Insurance. Also send a copy of that complaint to the ABAC so we can track it. Filing a complaint with the Insurance Department forces the insurance company to investigate and respond to the allegation.

Bob Amendola: Great question but here's something I just want to add to this. On an initial inspection in Connecticut, it must be requested by your customer. If your customer requests a physical inspection is to be done the insurance company must honor that request. The insurance company does not have to honor the shop's request for a physical inspection, the request must come from the customer, the insured. Insurance appraisers call us on a regular basis, thanking us for saving their jobs. CCC, with artificial intelligence, wants the customers to scan in pictures which allows them to write a ridiculously low estimate. They're (insurance companies) not even happy with their appraisers writing 15 claims a day. You must educate your customer that these physical inspections are something that they pay for, as the customer and that is what they're entitled to. We have good laws. You just have to call them out. (The insurance company!) This is one of the few things that I've found that the DOI will act upon. If the statutes are violated and you bring it to their attention, you will get results and you will see things change. I can't do this for your shop. I can only do it for mine.



Parese then highlighted several of the Code of Ethics – Conduct of Motor Vehicle Physical Damage Appraisers Section 38a-790.

John Parese: I suggest everyone have this Code of Ethics in their possession. I just want to highlight for you, some of the things in this Code of Ethics so that when you see conduct in your shop that contradicts these Codes, it's black letter law, they don't have a choice. The appraisers need to leave a copy of the appraisal with you at your shop. If not, you have the right to reference that.

The agreement on the repair price should only occur with the repair shop. When you have a dispute over the cost of a repair, the appraiser can get a competitive estimate, but it must be approved by the customer and there must be a physical inspection. And that becomes critical. If there's a supplement, it cannot be done without a physical inspection. So, we run into these situations where the insurance company wants to pay on a claim without having an appraiser come to your shop right.

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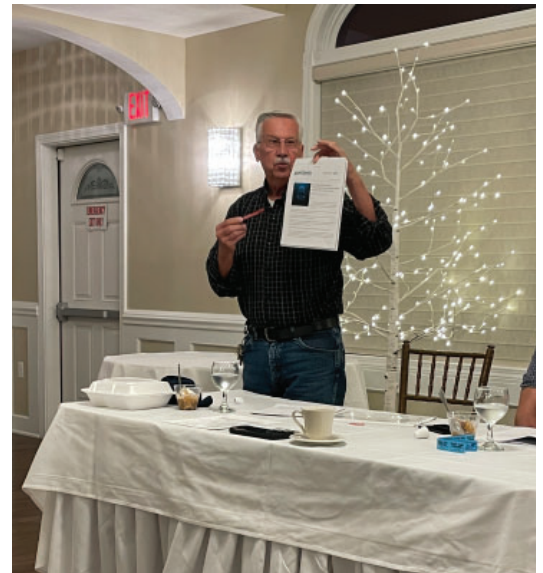
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How often is it that you have an agreement on price? Not too often. So, once you don't have an agreement on price, according to the Code of Ethics, they **MUST** send an appraiser out to perform a physical inspection. They have no choice. Failure to do this violates Section 38a-790-7 - Reinspection on request for supplementary allowances. Make sure you have your Code of Ethics handy. All of this information is available on the ABAC Website, abaconn.org.

Randy Serkey: The first question I ask an appraiser when they come to my shop is, do you have a printer? You want to use my email, you want to use my toner, you want to use my paper and you're going to send me over this funny money and it's not going to pay the bill. I tell them NO. You print them out and negotiate the claim. I have yet, since Covid started, not to have an appraiser at my shop. They will come to your shop, one way of the other. We have a letter in our packet; a commencement letter, a demand letter, a notice of newly discovered damages and they spell out your rights as a repairer and what their rights are to follow the law.

What do you do if a car comes into your shop and your customer wants a physical inspection?

Randy Serkey: The commencement letter is very important because it sets the tone for the repair once you have a contract in place. I will not touch a car without a repair contract. If you don't have a copy of a repair contract you can get one on the ABAC Website abaconn.org. All you have to do is download it, put your letterhead on it and have your customer sign it. John Parese was instrumental in studying the laws before he put this repair contract together. It covers motor vehicles. Once you have this paperwork signed, you can go to court if necessary. Insurance companies know that most of you take the insurers estimate, fixing the car, you don't have a contract, you don't have a leg to stand on and they just throw the paperwork at you and walk out the door with your money. I got tired of it. I found out that I wasn't doing things correctly. A blueprint, mapping of repairs is a must. A repair contract is a must. Having a customer on your side is a must. Having a form letter from the customer stating that they want the insurance company to physically look at the vehicle is a must. After no response from the insurance company, I've sent several of these forms to the DOI and I've gotten immediate responses.



Bob Amendola: One of the things we are doing in our shop to try and combat photo estimates is that we will not do photo estimates on an initial estimate. We tell all of our customers DO NOT send photos and then we will respond to the insurance company and let them know that the insured wants it that way. When it comes time for the supplement, we will do photo estimates because, as John Parese mentioned earlier, if they don't get to our dollar amount, we use the Connecticut Regulations. And if they laugh in your face, contact the DOI and the response time is amazing. If we don't do this, we will not have appraisers, and we're not going to have the ability to negotiate.

Tony Ferraiolo: All of you should be using the Connecticut Regulations in your shop. These are the laws. This one Regulation 38a-790-7 says, 'reinspection on request for supplemental allowances.' This happens every day. The estimates don't match to what you need to repair the car, so we have a supplement that we call in. 'Every appraiser shall reinspect damaged vehicles when supplementary allowances are requested **by** repair shops.' **Not the customer ON THE SUPPLEMENT, the repair shop!**

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So, if you're a repair shop and you're dealing with some virtual agent in Arizona that's telling you that they 'can't pay this or can't pay that' just tell them, 'No problem. Send an appraiser.' Just make sure to have a copy of the Regulations with you so that you can quote the Regulation because not every agent knows the laws in the State of Connecticut. Educate them. Use your rights.

Randy Serkey: Referring to Regulation 38a-790-7, let's say the customer, unbeknown, sends the insurance company a photo of their vehicle. Now there is an estimate out there done by a Connecticut licensed (hopefully) appraiser, this is where 38a-790-7 comes into play. Once an initial estimate has been written by a Connecticut licensed appraiser, the insurance company must send someone out. I want to make sure that's clear because if you're having trouble getting someone out to look at a vehicle and they're scrubbing these estimates with Artificial Intelligence, you want to humanize the event. It's better to have someone in front of you so you can negotiate because it's much easier than negotiating with a computer.

Can we get a quick overview on submitting a complaint?

Ashley Burzenski: As you already know, we do not, as a policy, use photo estimates. It starts as a first point of contact with our customers as a conversation on where the customer stands. We have an honest conversation with them on what potential roadblocks could occur during the repair process. We let our customer know up front that we don't feel photo estimates are in their best interest because its simply impossible to accurately estimate the damage from a photo especially a couple of quick ones and we tell them that we recommend them not doing the photo estimate for exactly that reason. So, first, educate and inform your customer because we all know the insurance company is going to give your customer pushback. After our conversation, we will typically call in the claim or if the claim has already started, we will call in with the customer and help them get the inspection set up. When we sat with the customer, true to form, the insurance company did everything they could to avoid sending out an appraiser and our customer told them, 'Well. I'm going to file a complaint with the Department of Insurance.' It is at this point that I use the form from the ABAC Website to file a complaint, but I also like to do the online submission by going to the ABAC website and using the DOI's link that we have there. The reason that I like to do it online is because I can perform this task as though its coming right from the customer. Don't leave it up to the customer. You file it for them. We are very successful filing complaints. This also shows your customer that you really are looking out for their best interests. We encourage ALL shops to place their complaints into the ABAC Dropbox so that we can follow all of them.

How long has the law for appraisers been in effect?

Randy Serkey: Over 50 years

Since it seems that insurance companies want to go the way of Artificial Intelligence, what is the likelihood that they will lobby our legislature to change these laws?

The entire board: What a great question!

Bob Amendola: This is why we have an association, and this is why we have a full-time lobbyist Andy Markowski who is there in Hartford watchdogging for the ABAC. If we did not have an association, that list of Regulations, that Code of Ethics would mean nothing. Burn it. It would be useless. Greed knows no bounds. **There is no amount of money that the insurance industry will accept that will make them happy.** We had over 1,100 licensed shops fifteen years ago in the state of Connecticut. That number now is less than 400 licensed collision repair centers. We rely on Andy to keep us abreast of everything that the wolves of the insurance industry are trying to bully through the legislature. We will be on the lookout for any attempts to weaken us.

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Ashley Burzenski: We're ready for it. Just by getting those DOI complaints every time. We're focused and, on a push, to show that photo estimates are not appropriate. Also, if you see a car come into your shop and a photo estimate was done and it's obviously not safe to drive, document this. This is the information we need to fight upcoming legislation that can hurt us and the collision industry.

How can an insurance company talk about "prevailing" rates in an area without it being an indication of collusion on their part?

John Parese: We, as auto repair shops are bound by anti-trust laws that say we can't conspire with one another to establish market rates. There are many businesses who fall under these laws, not just the collision industry. The idea is that the consumer needs to be protected from that type of thing, which is generally good for public policy reasons. There are 2 industries that get an exemption from these laws. One is Major League Baseball and the other is the insurance industry. We've attempted to fight back through broad litigation either national major class action and some local class actions (Connecticut had 2 major class actions). These lawsuits have attempted to address this issue. It's a tough one. It's a very expensive option. I guess the answer is there is an exemption for insurance companies for antitrust. Or at least that's the way the courts have interpreted it, which is why they can get away with it. There is a nuanced argument that can be made relative to what is involved in the "business of insurance" and what is involved in the "business of repair" (which is not covered by the exemption). When I go to court with a repair shop, I generally ask my client to bring their own labor rate survey to help rebut whatever the insurance company tries to come up with. Keep in mind that you **cannot** share this information with any other shop. You use this for your purposes. You can discuss it with your accountant, you can use it in court.

Randy Serkey: I do labor rate surveys twice a year. I'll call shops in Connecticut. The shops in Connecticut are what the insurance companies says, 'are the rates.' Every estimate you get from the insurance company has the same number throughout the State of Connecticut. So, as far as I'm concerned, I can call any one of the shops in the State of Connecticut and ask what their rate is for my survey. The interesting part is when I ask, 'Do you accept that(rate)?' The answer I get is, 'sometimes.' 'When you are billing a customer what do you bill at?' The answer I get, 'I bill at my posted labor rate.' So, these shops are discounting to the insurance company (or making a deal) or you're billing your customer at your posted labor rate. All of your billing, all of your invoices, everything should be at your posted labor rate. Regardless of what the insurance company is paying. So, when you go to court and you've discounted your labor rate, you'll be asked, 'Why did you discount your labor rate for the insurance company? Why didn't you give your customer a discount too?' You lose that case.

Can an insurance company insist that I purchase parts from a company that I normally do not buy from?

Bob Amendola: Absolutely not! They can 'suggest' but cannot force you to buy from a particular supplier. There is a difference between First Party and Third Party. Here's the difference: First Party is the insured. They have a contract with their insurance company. If their insurance company only allows for certain parts or certain procedures, that is a tough one to beat because it's a First Party, its contract law. We've gone to court and won some First Party decisions but their tough. Third Party is when you are involved in an accident with someone who is insured by a different insurance company and there is no contract. So, especially in these cases, the insurance company has no right to tell you what you can and can't do. The time is here, as an industry, if we don't stand up, we will no longer exist as an industry. We must stand up for what is right and what is ours! If you take back your business, you will see things start to turn around and you'll start to believe in yourself. Will it be easy? Absolutely not. Will you always win? Absolutely not.

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But if you put all these practices in order and you start chipping away at the insurance companies and you start hurting these insurance companies in their cash drawer, they will change the way that they deal with your shop.

John Parese: That's an example right there. The insurance company is saying that they are insisting on certain items. It might be nice to send a quick email right back to them stating, "this will confirm that you will only allow me to buy parts from XYZ dealer or XYZ auto." Then you take that email, and you file it with the Insurance Department. You must keep going at them.

Other subjects that were discussed:

- Randy emphasized the importance of building a litigable file as standard operating procedure
- Randy discussed loss of use and diminished value
- Ashley, Tony and Randy strongly recommended that the customer be copied in on any and all correspondence between insurance reps and shops to keep them in the loop and informed *Emails are always best for a proper paper trail and holding people accountable!

The panel covered a few more questions but for the sake of being brief we suggest that you join in with us and become a member of the Auto Body Association of Connecticut and discover ways to make your business more profitable or hone the skills you have already learned from the ABAC Membership meetings. Remember, you can only learn by asking. The ABAC allows you a tremendous opportunity to not only learn from the some of the best, but to learn from others who have been exactly in the position that you are!

Hope to see many more of you at our next ABAC Membership Meeting. Watch your email and fax machine for updates.



Submitted by Don Cushing with a huge assist from Ashley Burzenski!

Happy Freaking Holidays



Well, here we are, confronting the end of 2021. I recall thinking at the end of 2020: well at least we won't have to do *that* again. The year started off with promise. We had an uneventful presidential election wherein most of the country seemed happy with the outcome. Hahaha. Then vaccines were released, only to be greeted with a mixed reception. The summer saw COVID numbers down. We had a busy little league season with no issues. It looked like we were out of the woods. Then December hit, and the sky fell again. Sort of. As I write this, COVID positivity rates are shooting up like Allstate profits on aftermarket part sales. Not cool. How's this "year in review" going so far?

Not everything about this past year deserves such a sour reflection. Your ABAC Board, for example, was hard at work all year advocating for the industry. I've been right there beside them doing what I can. We attacked the industry with education, information, litigation and legislation. The fight remains a challenge. We all know that. The best advice I can give, particularly in the face of this unique landscape, is to forge a bond with your customer, explain what you're doing and why, use solid contract documents, and insist on getting paid for what you do.

Since I can't seem to come up with a nuanced topic to discuss right now, I want to take this opportunity to catch up on something long overdue and that's to thank Don Cushing and Dave Fogarty for their great work and guidance to the industry. I don't know where we would be without them. Hell, I would probably still be prostituting myself behind the Chili's dumpsters on the Berlin Turnpike. We've all come a long way and benefitted immeasurably from the collective wisdom of the Don and Dave show. Did you know, by the way, that Dave used to write the articles, and Don did sales? They switched roles in the early 2000s due to complaints about Dave's excessive cursing and Don's belligerence with prospective customers. All's well that ends well.

Listen, seeing as we can't solve all the world's problems in the next couple of weeks, and seeing as this "year in review" is turning out to be an unmitigated disaster, I'll leave you simply with this: I wish that you would all settle into a relaxing, peaceful and healthy holiday. Enjoy your families and a much deserved respite. I look forward to working with you next year, as we still have much to do. In this regard, I feel genuinely optimistic that we will see meaningful improvements to the industry this upcoming year. Until then, happy freaking holidays!

John M. Parese, Esq. is a Partner with the law firm of Buckley Wynne & Parese and serves as General Counsel to the ABAC. Buckley Wynne & Parese maintains offices in New Haven, Hartford and Stamford, and services clients throughout all of Connecticut. The opinions set forth in Attorney Parese's articles are for education and entertainment purposes only, and should not be construed as legal advice or legally binding. If you have any questions or concerns about the content of this or any of Attorney Parese's articles, you are encouraged to contact Attorney Parese directly.

A Brief Dive into Artificial Intelligence



ABAC Vice-President - Ashley Burzenski

Artificial Intelligence (AI) has been prevalent in the automotive industry over the last few decades, beginning with the manufacturing sector. It is making big waves most recently as we see AI incorporated in more innovative consumer centric aspects of the industry. Examples of this include autonomous braking, radar systems, cameras, sensors, self-parking/driving etc. The list goes on... a list that we as an entire industry are familiarizing ourselves with at a rapid pace now.

Most obviously, AI has changed the methodology, training and equipment we need to repair today's vehicles but did you realize that many insurance companies are working towards using AI for "touchless claims"? They've been collecting data for decades now. At this point, many insurance carriers have partnered with various tech companies to make the switch. For example, USAA has already partnered with Google and The Hartford has partnered Mitchell-Tractable Estimating software. Companies are also making a big push to advance AI towards "completely digital experience". The process claims to eliminate the need for human interaction. As an example, CCC launched a new product called CCC Estimate-STP. STP stands for Straight-Through Processing and USAA is one of four insurers already live with the service.

Understandably so, this may seem startling to some. To their surprise, Solera (an Audatex parent company) claims a study of tech savvy consumers found that 76% trust automotive claims driven by AI. Furthermore, 73% would choose an insurer with AI to settle claims faster and a whopping 67% would choose a rival insurance company that offered a faster digital experience.

Finally, Solera reported that 78% said they'd favor a body shop that provides more digital channels to quote, book, and track repairs. That's a staggering statistic and one that calls us as repairers to evaluate our current processes. From my own personal perspective, we will not be participating or encouraging the use of AI estimating in our shop. Instead, we will focus on utilizing technology to provide a more seamless overall experience for our customers without jeopardizing their safety. Examples of this may include increased use of texting, emailing, and social media channels to communicate, schedule appointments and provide repair updates.

We will continue to educate consumers to the best of our ability on the subject matter so they can make informed decisions for themselves. I believe there is a way to safely embrace technology but not everything can be safely replaced by technology.

Sources:

USAA works with Google Cloud, Mitchell on AI photo estimating - Repairer Driven NewsRepairer Driven News

The Hartford to use Mitchell-Tractable A.I. photo estimating process - Repairer Driven NewsRepairer Driven News

Solera says study of 'tech-savvy' consumers finds 76% trust AI auto claims, 73% would pick insurer with claims AI - Repairer Driven NewsRepairer Driven News

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CCC launches AI-driven estimating process that eliminates need for human interaction - Repairer Driven News-
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All the best,

Ashley

*Ashley Burzenski can be reached at
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From the Desk of Mike Anderson: When it Comes to Auto Body Shop Technician Compensation, Something Has to Change



Something has to change.

I'll tell you up front: I'm going to be repeating those four words a number of times as you read through this article.

Something has to change.

I have a family member who graduated from high school and went to work for Amazon. He is now 21, making more than \$100,000 a year. He has stock options and they pay 100% of his health insurance. And they pay for all of his college. That's what we're competing against when we're trying to recruit young people into our industry.

Something has to change.

I know a body tech who got out of the industry to work as a truck driver. He's making more than \$100,000 a year now. And he doesn't have to buy any tools. He told me, "I have a lot less stress, Mike."

Something has to change.

There's a convenience store at the gas station near my home. That store starts people at \$18 an hour. Just to work at a gas station convenience store. That's almost \$40,000 a year. Plus health insurance. There's no liability in that work, and they're not exposed to hazardous materials. They also offer up to \$10,000 a year for child care reimbursement.

Yet I talk to auto body shops trying to start people out at \$10 to \$15 per hour. That model is broken. Our industry has got to be able to... offer a more competitive wage as well as better benefits.

Something has to change.

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Now I understand: We can't compensate fairly unless we are being compensated fairly. This is absolutely not an anti-insurance article. It's not. But at the end of the day, either labor rates have to start to come in line with what we need to compensate more fairly, shops have got to be paid for more not-included operations, or some combination of the two. Somehow we need to collect additional funds to be able to recruit and retain people.

I think we will see shops change who they do business with over this issue. They almost have to. I know one MSO has already told investors they've dropped some direct repair programs with "lower-margin clients that are not willing to increase pricing."

I've also heard from shops saying a competitor in their market is offering signing bonuses of as much as \$10,000. I don't believe in stealing fish from another man's pond. That's not the solution. What we need to do is recruit by offering a more competitive compensation package.

The problem is only getting worse. We all know body labor rates have been lower than those in the mechanical industry because of body techs being able to work at 135% or 150% efficiency.

But as we see less "repair" and more "replace," technicians' efficiencies are dropping. If it pays you five hours to replace a door, it takes you every bit of those five hours. A technician can turn a screwdriver, wrench or other tool only so fast.

The space required for the work has increased. It takes three times the space of an average auto body shop stall just to... ..perform calibrations.

The skills needed are also increasing. We need a much higher caliber person doing everything from the OEM procedure research to the final ADAS calibrations.

"It's not just body work," Susanna Gotsch of CCC Intelligent Solutions said at the MSO Symposium in November. "It's mechanical work, the knowledge of electronics, understanding how telematics and the systems of the car work, how to read the manuals from the OEMs. All of that requires a higher set of training and tooling. That cost will have to be passed on. So I think we're going to see more inflation on labor. I think that's going to start to find its way into appraisals as well. It just has to."

My friends and colleagues, the industry model we have right now is broken, in terms of labor rates and compensation packages. I don't know the answer. I've got some ideas, I've got some thoughts. But I do know this:

Something has to change.

Source: www.autobodynews.com

**Unity is Strength
Knowledge is Power
Attitude is Everything**



Vendor Spotlight



For our year end edition, the Vendor Spotlight shines upon one of our very involved Supporting Advertisers, Albert Kemperle, Inc.

Albert Kemperle, Inc. is one of the most recognized names among body shops in the New England markets for all paint, equipment, and related needs.

If you are an ABAC Member and you regularly attend our membership meetings, no doubt you recognize Albert Kemperle as a staple of bringing in some of the best information pertaining to our industry. For 17 months, from March of 2020 until August of 2021,

there were no "live" ABAC Events, but Albert Kemperle Paint & Supply represented by their Territory Sales Manager Dave Esposito remained conscious of their customers' needs. In August 2021, Albert Kemperle was instrumental in bringing in Keco Products System for a presentation on Glue Pull Repair at Airport Road Auto Body in Hartford.

Fast forward to this past November 9th when Albert Kemperle Paint & Supply once again stepped up to the plate to sponsor this important membership event. (See Page 3 of this newsletter to read more about the meeting.) After this event I reached out to Dave Esposito and asked if the ABAC News could place Albert Kemperle in the Vendor Spotlight. I've been in contact with Sean Vandale, Regional Director of Sales and Operations and asked for some history on this company. Mr. Vandale was kind enough to share the following information with us:

Albert Kemperle, Inc. is one of the most recognized names among body shops in the New England markets for all paint, equipment, and related needs.

The company was founded by its namesake, Albert Kemperle, and his wife, Mary Kemperle, in 1940 with one store in Brooklyn, NY.



Albert & Mary Kemperle

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Ron Kemperle with his children Kayli and Ron Jr.

Auto Paints in Bridgeport, CT. With the addition of Fair, Albert Kemperle, Inc. now has four locations in the Connecticut market.

"We really are a one-stop shop for all of our customer's needs," comments Sean Vandale, Regional Director of Sales and Operations.

The company's offerings go above and beyond distributing paint, primers, and sealers. Kemperle also offers its own equipment line – Pinnacle – and delivers everything to its customers – from technical support to business development, training and more. "We can cover [our customers] from technical support to business development to floor design. We are here to help our customers be profitable. One of the biggest benefits we offer is choice," Vandale says.

Albert Kemperle goes even further than its product offerings, as training is a huge component of their operation. Working under the belief that education and training is critical to the health of their customers, Albert Kemperle works to bring in industry experts to educate customers on trends, techniques, and technology to make sure they are staying ahead of the curve. A robust relationship with the Auto Body Association of Connecticut is paramount in spreading the message.

"We are proud to be a part of the Connecticut Auto Body Association and continue to strive to bring outside resources to meetings to help customers navigate through a changing industry. We always look for ways to differentiate ourselves from the competition. We feel we do a really good job of that with the number of resources we bring to our customers."

Albert Kemperle has no plans to slow down as they continue to grow in the New England Markets and beyond.

The ABAC would like to thank Mr. Vandale for giving us this information on Albert Kemperle, Inc and also thank he and his company for their continued support of the Auto Body Association. We here at the Auto Body Association Connecticut are very honored to have the support of Albert Kemperle! And to all of our ABAC Members, Support Those Who Support You!

Submitted by Don Cushing

Eighty-One years later, the company stands as one of the largest independently owned distributors in the country with 54 locations spanning from New Hampshire to Florida. The company's reach includes a strong presence in Connecticut and the surrounding New England areas.

Albert Kemperle remains family-owned and operated under the leadership of Albert's son, Ron, who serves as the CEO and president. Ron's daughter, Kayli, and son, Ron, Jr., are also involved with the business at its Amityville, NY headquarters.

Albert Kemperle first entered the New England market 15 years ago with an acquisition in the Central Connecticut market. Now, it has nine locations in New England, the most recent being the acquisition of Fair

AsTech to offer official OEM scan reports to repairers



AsTech has announced that it will begin offering its customers official OEM scan tool reports as an optional supplement to the comprehensive reports provided through its remote scanning and diagnostic service.

The company called the service an industry first and said that it would begin in October.

“The delivery of the original OEM scan report will provide our customers with an additional layer of confidence and transparency so they can remain focused on properly repairing today’s complex vehicles,” Cris Hollingsworth, president of Repairify, said in a statement.

Repairify does business under the AsTech brand.

AsTech maintains a growing library of more than 1,000 OEM scan tools. Now, after conducting an AsTech remote OEM scan, repairers will have access to a copy of the official OEM tool report.

“We identified the opportunity to include this resource during our ongoing one-on-one conversations with our customers,” Maurice Tuff, chief technology officer of Repairify, said in a statement.

“We listen to our customers. We are committed to providing excellent service to continually enhance our products and services,” Hollingsworth said.

Responding to a question from Repairer Driven News, Tuff said that the information and layout of the OEM scan tool reports vary by manufacturer, as they are developed by the OEMs.

“Our ability to offer consistent high quality remote OEM tool scanning and calibrations” is one of numerous distinguishing factors between the AsTech device and other alternative offers that the company releases, Tuff said. “Providing the official OEM scan tool report to our customers is simply a new feature that provides an additional layer of confidence and transparency,” he said.

The company’s customized scan report includes such information as diagnostic trouble codes, repair recommendations, recall check information and professional input from the company’s team of more than 400 ASE and I-CAR trained master technicians.

Friday’s announcement follows a July 22 announcement by AsTech that it had patented a method for using a vehicle identification number, or VIN, to help determine “whether an original equipment manufacturer (OEM) diagnostic tool — or aftermarket tool — is required for proper diagnosis and/or repair of the vehicle.”

“AsTech’s technology is an industry ‘game changer’ by providing unique functionality to access vital OEM and aftermarket remote diagnostics data via VINs, and this newest patent will help us in protecting that technology,”

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Hollingsworth said in July. “ASE technicians will be empowered to quickly access the correct automotive tools to accurately and safely address unique vehicle functionalities via diagnostics and repair data.

“This newest patent to be issued will be another competitive strategic step for accelerating our solutions and offerings across the entire automotive ecosystem.”

Manufacturers have either strongly encouraged, or required, the use of OEM or OEM-approved scan reports in vehicle repairs, to ensure the work is done correctly.

Honda, for instance, has toughened the language on its terms and conditions for certified auto body shops to say shops “must” follow OEM procedures and “must” pre-and post-scan vehicles with Honda-approved processes.

In a January 2019 YouTube video, Nissan said that it has “invalidated the use of generic scan tools, and are not certain that they read all vehicle system information and diagnostic trouble codes.”

The Automotive Service Association (ASA), Society of Collision Repair Specialists (SCRS) and Alliance of Automotive Service Providers have taken the position that the “act of scanning a vehicle using a qualified scan tool is a necessary and not-included operation that is legitimately expressed on a repair order with a fixed cost in labor hours and/or a set dollar amount.”

The position on compensation centers around the organizations’ stance that defines a “qualified scan tool” as, “A device approved by the vehicle’s manufacturer (OEM) to provide a repair technician access to the status of the vehicle’s sub-systems. OEM approved scan tools are specific to each OEM and have the complete suite of capabilities as determined by their service engineering groups.” Essentially indicating that non-recognized tools should not be a legitimate reason not to recognize the market costs associated with using a tool that has been approved by the automaker who engineered the vehicle.

The private equity-backed AsTech/Repairify combination bought the manufacturers of aftermarket scan tools BlueDriver (which is more of a DIY consumer product) and RedLimited this year. It has long maintained that only the OEM scan tools it connects vehicles to remotely are acceptable for collision repair.

The suitability of aftermarket scan tools has been a subject of some debate within the industry.

Mike Anderson, CEO of Collision Advice, condemned the practice during a Dave Luehr’s Elite Body Shop Academy webinar on April 27, maintaining that there might be no way to make sure aftermarket tools have access to data necessary to make an accurate scan, particularly given the rapid pace of technology upgrades.

The Equipment and Tool Institute, which represents aftermarket scan tool manufacturers and facilitates their licensing of scan tool data from automakers, offered a different perspective.

“ETI believes that shops will be best served to have both OEM and multi-brand accessibility, enabling shops to choose the most appropriate solution for each repair,” the company said in a statement to Repairer Driven News. “Each repair provider must assess their needs in order to determine which tools are best for the services they are performing.”

Source: www.RepairerDrivenNews.com

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