

The Official Newsletter of the Auto Body Association of Connecticut

# Your Obligation to Follow OEM Prodecures!



"In Unity There is Strength; In Knowlege There is Power"

#### Also In This Issue

# ABAC President's Message Bob Amendola YES! You Have an Obligation to Follow OEM Procedures!



There has never been a time where OEM procedures need to be followed more than they do now.

You should not begin repairs on a vehicle until you do the research with the manufacturer.

As EVs are becoming more commonplace, the repair procedure research must be followed for both the integrity of the repair and the safety of your technicians.

EV companies offer many online classes and OEMs offer support on their brands. There are other various sources for research such as All Data. **The information is out there. It is inexcusable not to utilize it.** 

Aluminum repairs are becoming mainstream which sets a whole different set of repair standards. Research is a part of repairs and therefore needs to be factored in as labor.

There are specific requirements that must be accounted for depending on the job. Perform a safe and proper repair and be compensated for it. This is the future of our industry and there is no time for us to waste in gearing up for it.

Please continue to support your association; onwards and upwards!

Sincerely,

Bob Amendola

Autoworks of Westville President - Auto Body Association of Connecticut Autoworksofwestville@gmail.com



#### Your Car, Your Choice

IDEAS Collide: Repairers have a 'moral and ethical' obligation to follow OEM procedures



The Society of Collision Repair Specialists (SCRS) has posted its final IDEAS Collide video from last year's Specialty Equipment Market Association (SEMA) show, featuring Collision Advice CEO Mike Anderson.

Anderson got personal when imploring the audience to make safety inspections a "non-negotiable" item. He shared one story about how a safety oversight changed his father's life, and another about how a medical error ended it.

Anderson detailed how his father Albert served in the U.S. Military during the Vietnam War and suffered permanent injuries when he jumped from a helicopter while wearing a defective parachute.

The fall broke both his back and both his legs, forcing him to spend two years recovering in a hospital, Anderson said.

"My dad got out of the military as a disabled vet," he said. "My dad could never run and play ball with me as a kid. My dad could never swim. My dad could never snow ski."

His dad endured long-term leg issues as a result of the accident and last May was hospitalized because of his leg injuries. Anderson said another mistake, this time at the hands of a medical team that failed to follow protocol, cost his father his life.

"When they did the process they didn't sew him back up properly," Anderson said. "He ended up bleeding internally and they didn't discover it until after he had a massive heart attack three days later."

Anderson then pivoted the conversation to collision repair, and used his father's tragic circumstances to underscore the importance of following proper OEM procedures when working on vehicles.

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He explained how every OEM has a document that details what inspections are required following an accident. This includes inspecting seatbelts, removing and inspecting the steering column, and more.

Anderson said that even if repairers find no issues in the majority of their inspections, it's the times when they do find issues that matter.

Improperly repaired vehicles have had life-altering effects in a number of cases.

He referenced the John Eagle Collision Center case, which panel-bonded a replacement roof to a 2010 Honda Fit rather than using the welds dictated by Honda OEM repair procedures.

The 2010 Honda Fit, occupied by Matthew and Marcia Seebachan, was later involved in a collision on a 75 mph stretch of road when a 2010 Toyota Tundra in the other lane hydroplaned into their vehicle, leading to the Fit striking the right front quarter of the Tundra. As a result of the improperly bonded hood, the couple became trapped in the Fit as it burned.

Marcia said the collision tore the tendons between her spine and skull — and had the crash occurred two years prior, she would have been paralyzed given the state of medical science. Both she and her husband had damage to their carotid arteries, and her pelvis was shattered.

Separately, a recently-settled lawsuit blamed an improperly installed steering rack for causing a collision that injured a 27-year-old man. The driver claimed had brought his vehicle to an auto repair facility to have the steering rack installed about three months before he "lost all steering suddenly and unexpectedly," while driving, causing the collision.

It's not clear what kind of vehicle the driver was operating, but some automakers have specific repair instructions on replacing a steering box; an operation that has been contested by insurance companies in the past, not always in agreement with OEM directives. BMW, as an example, demands a steering box replacement for any one of numerous conditions, including during an unacceptable torque increase and jamming when the steering box is turned from lock to lock without hydraulic/electrical assistance. It also demands a steering box replacement when:

- There is visible or noticeable damage to the steering box;
- There is version with electric steering box (EPS). BMW guides repairers to examine in particular the control unit with all plug connections for damage and hairline cracks;
- There is fire damage;
- There is a lopsided steering wheel, significant deviations of camber/track values and noises when indications for the damage/deformation; and
- There is damage, permanent deformation or fractures to:
  - Wheel rims in the event of a negative result from the wheel alignment check
  - Spring struts, steering stubs, wheel carrier
  - Wishbones

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- Struts or trailing links or anti-roll bar with this function
- Body-side screwing/attachment points for wheel guide/control components
- Front axle support
- Drop arm
- Track rods
- Steering box fixtures
- Steering column

When it comes to failing to follow proper procedures, Anderson knows all too well the disastrous consequences it can have.

"My dad had his life impacted twice because somebody didn't do their job the right way," Anderson said. "I challenge us as an industry that we have a moral and ethical obligation to ensure that we're packing their parachute safely every single time and that is performing the proper repairs the right way."

SCRS has made all of its Repairer Driven Education sessions recorded during last year's SEMA show available online. **Other IDEAS Collide videos available on <u>YouTube</u> include sessions on:** 

- *Modern glass replacement* featuring Ryan Mandell, director of claims performance at Mitchell International;
- Spray gun science, presented by 3M Application Engineering Specialist Brady Haislet;
- Building an OE Centric calibration center with Greg Peeters, chief executive of Car ADAS Solutions;
- Evaluating "will" and "skill" for the perfect hire with Dave Gruskos;
- **The psychology of money** with Scott Broaddus, a financial advisor and certified financial planner at Irongate Capital Advisors;
- *"I'd rather be eating Chicken sandwiches in Fancy Shoes,"* Mike Wandrey, Shop Fix Academy/Pro-Collision; and
- Vehicle history reports: turn the tables with Condition Now LLC founder Thomas Allen

Source: www.RepairerDrivenNews.com - Article by Michelle Thompson





STATE OF CONNECTICUT DEPARTMENT OF MOTOR VEHICLES

DMV

60 State Street, Wethersfield, CT 06161 <u>http://ct.gov/dmv</u>

July 19, 2023

A AND R BODY SPEC AND COLLISION WORK INC 151 N PLAINS INDUSTRIAL RD WALLINGFORD, CT 06492

To Whom it May Concern:

New laws regarding motor vehicle safety recalls will go into effect on October 1, 2023. These laws will require licensed repairers to identify and report safety related recalls to the customer at the time of service in writing.

All licensed repairers are responsible for complying with the requirements set forth in Public Act 23-40, Sec. 24. Please take the time to familiarize yourself with the details of Public Act 23-40, Sec. 24.

#### Public Act 23-40, Section 24

Sec. 24. (NEW) (Effective October 1, 2023) (a) For the purposes of this section, "open recall" means a safety-related recall for which notification by a manufacturer of a motor vehicle has been provided under 49 USC 30119, as amended from time to time, that necessitates repairs or modifications to a motor vehicle by an authorized motor vehicle dealer, but does not include a recall related to defects or failures to comply with requirements relating to labeling or notification in an owner's manual or a recall where the remedy is for the manufacturer to repurchase the motor vehicle or otherwise provide financial compensation to the owner of the motor vehicle. (b) During the course of performing repair work or changing the oil or tires and tubes of a motor vehicle, a repairer licensed in accordance with section 14-52 of the general statutes, as amended by this act, or a person, firm or corporation engaged in the business of changing the oil or tires and tubes of a motor vehicle, shall determine whether the motor vehicle being repaired or worked upon is subject to an open recall by checking information provided by the manufacturer of the motor vehicle or other known and readily available sources, such as the National Highway Traffic Safety Administration. If the motor vehicle is subject to one or more open recalls, the repairer, person, firm or corporation shall provide the owner of the motor vehicle with written notice of each such open recall at the time of such repair or work. The notice shall include a description of each open recall and a statement Substitute Senate Bill No. 994 Public Act No. 23-40 26 of 47 that a motor vehicle dealer approved by the manufacturer of the motor vehicle may repair or modify the motor vehicle at no cost to the owner, except as provided in 49 USC 30120, as amended from time to time. (c) Nothing in this section shall alter the liability under common law of any motor vehicle manufacturer or motor vehicle dealer approved by the manufacturer to repair or modify a motor vehicle subject to an open recall. (d) A repairer or person, firm or corporation engaged in the business of changing the oil or tires and tubes of a motor vehicle and any employee of such repairer or person, firm or corporation shall not be liable to any person for any act or omission related to the provision of a written notice regarding an open recall required pursuant to this section.

We appreciate your cooperation and commitment to upholding the industry's standards.

Thank you, Dealers and Repairers Licensing Unit

Seat Belts Do Save Lives

# **ABAC Government Relations Update**



By Andy Markowski, Esq., Statehouse Associates, LLC ABAC Lobbyist

#### 2023 State Legislative Session Adjourns

#### New Motor Vehicle Safety Law Takes Effect October 1st... Repairers Must Check For Any Open Recalls, Notify Customer

The 2023 "long" legislative session adjourned earlier this summer "on time and on budget" so-to-speak, with bipartisan passage of a new biennial state budget. Covering the 2024 and 2025 fiscal years, the state's spending plan includes \$800 million in tax relief and contains the largest middle-class income tax cut in the state's history, according to Governor Lamont and state officials.

State budget issues aside, the 2023 legislative session - which was the first "back to normal" session since the onset of the Covid pandemic - saw a very large number of legislative proposals introduced. While there were over 3,100 bills introduced during the session, by the time the session concluded just over 200 bills actually passed, as many bills died of inaction and lack of time. However, one important piece of legislation passed that all repairers need to be aware of is Public Act 23-40 (Senate Bill 994), "An Act Implementing The Recommendations Of The Department Of Motor Vehicles...".

This legislation makes several changes in the motor vehicle laws, but most notably, starting on October 1st, the law requires repairers, certain businesses, and emissions inspectors to check whether a vehicle is subject to an open safety recall when they provide services for the vehicle and provide written notice of the recall to the vehicle owner. (See accompanying notice from DMV Dealers & Repairers Licensing Unit and section 24 of PA 23-40)

The new law requires the repairer, inspector, or business to check information provided by the manufacturer or another known and readily available source, such as the National Highway Traffic Safety Administration. If the vehicle is subject to one or more open recalls, the repairer, business, or inspector must give the vehicle owner written notice, including a description of each recall and a statement that it may be repaired or modified by a manufacturer-approved dealer at no cost to the owner, unless federal law provides a different remedy.

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While many current estimating systems and other repairer software and database programs already provide recall notices based on VIN number, anyone who does not have access to such systems or software can be in compliance simply by going online to www.NHTSA.gov/recalls, entering the VIN number, and reporting to the vehicle owner if any manufacturer recalls are identified. The website provides free and instant information.

It is important to note that there is no requirement that anyone contact a dealer or OEM directly. Instead, repairers can just print or screenshot any recall information that may be identified and provide the relevant information to their customer if anything pops up.

Additionally, the new legislation also specifies that there is no liability for repairers "for any act or omissions related to the bill's notice requirements". Finally, it is worth noting that the law does not provide any specifics or prohibitions in terms of billing.

Under the bill, an "open recall" is a safety-related recall for which a manufacturer has provided notice under federal law and that requires an authorized dealer to repair or modify a vehicle. It does not include a recall (1) related to defects or noncompliance with labeling or notice requirements in an owner's manual or (2) where the remedy is for the manufacturer to buyback the vehicle or otherwise give financial compensation to the vehicle owner.

While the legislation was supported by DMV and various OEMs, including Honda, the stated goal of the legislators was to make sure that any and all channels or points of contact with vehicle owners are utilized to make sure owners are better informed if they have a vehicle that is subject to an open recall in order to enhance public safety and increase recall completion rates. During the legislative process, Transportation Committee Co-Chairman State Representative Roland Lemar (D-New Haven) stated the legislation is a "fairly simply way to improve safety on our roadways".

The 2023 State Legislative Session May Be Over, But That Doesn't Mean Your Lawmakers Don't Need To Hear From You – Tell Them What Matters To You And Connecticut's Collision Repair Industry!

Have a question? Want to express your opinion? Just want to know who now represents you in Hartford? Go to the website below and enter your home or business address to look up your state legislators; with a few quick clicks you can visit their official webpage, email them, or get their office phone number to make a call. Remember – as an ABAC member, your voice matters!

#### https://www.cga.ct.gov/asp/menu/cgafindleg.asp

As always, if you have questions on legislation or regulations or if you would like more information on an issue, please feel free to contact ABAC Lobbyist Andy Markowski at: (860) 707-3620 or *aem@statehouseassociates.com* 

\*Information provided is for educational purposes only and does not constitute legal advice.



#### Your Car, Your Choice

#### Customer Experience ABAC Vice-President - Ashley Burzenski



Our businesses can prosper or flounder based on the experience our customers receive. We do not pay for any advertising and solely rely on word of mouth referrals. Because of this, we regularly request feedback and adjust our processes accordingly to continually improve our customer service efforts. I've found that aside from clear feedback, the most effective way to check-in on how we're doing is to self-evaluate everything through the lens of my customer.

As a professional within the industry, we have a completely different perspective than most of our customers regarding the nuances of the repair process. Because of this, communication is key and it is arguably the

most important aspect of good customer service. We implemented a few things that have helped us keep our customers better informed throughout repairs.

- 1. We assign a specific representative within our office to each customer. That way, they have a single point of contact they become familiar with throughout their repair. In turn, that team member has a running list of their current customers and can more easily track their repair and keep each customer updated.
- 2. We survey each customer on their preferred contact method. People appreciate the flexibility and it goes a long way in making the repair process seamless.
- 3. We keep good notes! In each file, there is a communication log where we list out every communication we have regarding that file. For example, each update we provide to the customer, parts delivery status, rental extensions etc. There is also a whiteboard in the hallway that we use to generally track the vehicles currently in the shop and the target delivery dates etc. By doing so, it helps us work as a team to keep repair times on track together.

Aside from communication, the aesthetics of the business play a big part in the customer experience. Here are some questions to ask yourself: Is there clear signage for your business, designated parking spaces, and an accessible entrance? Upon entering the reception area, are customers promptly greeted? Is the space clean, neat and is there seating for them? These are all things I take inventory of in terms of the customer experience. When business gets very busy, it can be so intense and the small details can be forgotten. I try to utilize down times to spruce things up with our customers in mind.

Lastly, social media is most often the introduction to customers so make sure your business is making a good first impression. If you are not tech savvy enough to comfortably DIY your social media presence and website, hire someone. It is well worth the investment. While you will likely generate more traffic to your business by doing so, you may also find that utilizing features such as online appointments etc. can help you streamline your day-to-day operations.

#### Ashley Burzenski

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# From the Desk of Mike Anderson: Creating an Extraordinary Customer Experience Before, During and After Collision Repairs

In an earlier column, I shared part of a conversation I had with one of my teammates at *Collision Advice*, **Sheryl Driggers**, about what she sees it takes to create an extraordinary customer experience at your auto body shop.

The customer experience is about more than just "customer service." Those are individual moments, but are only part of the customer's overall experience of interacting with your brand start to finish, not just during the time spent interacting with your employees. Our conversation was based on our belief that customers won't really notice a "normal" experience with your shop, only an "extraordinary" one. Here's more of what Sheryl and I discussed.

**Mike:** Sheryl, we talked previously about what goes into creating an extraordinary customer experience prior to them even arriving at the shop. Now let's talk more about what else needs to happen prior to repairs.



**Sheryl Driggers - Collision Advice** 

**Sheryl:** Sure. So once we have the customer in front of us, in our office, how do we communicate the value of choosing our shop? No one likes to go somewhere and be "sold." No one wants that pushy, aggressive salesperson just trying to sell them something. So I always say: We don't have to sell; we just have to communicate the value of our shop to customers. As I'd mentioned, talk about the shop certifications you have, and why that certification matters to them. Show not just that you have advanced training and equipment to repair the vehicle back to when it was when it was manufactured, but also explain how that helps maintain the vehicle warranty.

Mike: What else should go on during that conversation?

**Sheryl:** Talk to the customer about being their advocate throughout the claims and repair process. Give them a designated person to be able to contact. At our shops, we designated a person who was the contact for each customer, the one responsible for contacting that customer every other business day. The customer had that person's email address and cell phone numbers so they could call or text if they had questions in between those updates. Another one of the most important things that I think that shops often do not communicate clearly is the value of their shop's warranty. Early on, talk

about what that warranty includes, what that means for the customer. Often you hear insurance companies talk customers into going to their preferred network or their DRP shop because of the warranty. So it's important that shops talk about their warranty early on, and explain even in that first in-person repair consultation what it means to the customer.

Mike: So, after that is it just about fixing the car correctly?

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**Sheryl:** No, there's more to it. We want to treat customers as if they are our VIPs, so when we give them that extraordinary experience, they then become brand evangelists. Sure, you have to fix the car the way that the manufacturer says it should to be fixed, using the repair guidelines from the manufacturer. But you're supposed to do that. So that's average. That's normal. You have to look for opportunities to be extraordinary. You have to look for opportunities to be generous with your customers, to do things that they do not expect. Maybe the customer's car has a scratch on the other side of the vehicle that you are able to buff out. When you are generous with the customer, you help create an extraordinary experience.

Mike: What else do you see going into that process?

Sheryl: Well, one of the most important things that we can do with that customer during repair is always overcommunicate. Mike, you wrote a column once citing that quote from author Jon Gordon who said, "Where there is a void in communication, negativity will fill it." So communicate to avoid those voids, even from the beginning, through the disassembly phase, through writing a complete repair plan. Keep the customer informed on what is going on. Even if you're waiting for someone else---maybe on the bill payer to approve a supplement---make sure that the customer is in the loop during the entire process.

And you have to be responsive. We have to respond to the customer quicker than they expect. One of the things we asked our customer service team at our shops to do was to always have the customer updates done before 10 a.m. Because if a customer is expecting a phone call from you today, if they don't hear from you before lunch, they'll automatically assume you're not going to call. So it's important to always respond quicker than they expect.

Mike: So does that bring us to the vehicle delivery process after repairs?

**Sheryl:** That's right. We've got to finish strong. And so one of the things that we did was we set up delivery appointments in order to make sure we were prepared and had the time we needed to spend with that customer. The first thing that we did at the delivery appointment was review the repairs with the customer at the car. We were proud of the work that we did. We weren't trying to hide anything. So we reviewed the repairs with the customer, while at the same time talked again about the warranty. We talked about the CSI survey that they'd be receiving in a couple of days, stressing that we value their feedback. And then after all of that is done, that is at the point where we will collect any kind of payment or insurance check that we needed from the customer.

Mike: Is there more about the payment process that can help create an extraordinary customer experience?

**Sheryl:** Yes, we would send the customer the final bill electronically, and offer them the option to pay electronically if they wanted. We could send them a link before they even showed up at the shop for the delivery appointment to take care of that, if they wanted. Some people want to do everything on paper, while others want to do everything electronically. So giving customers options is important.

**Mike:** Sheryl, I can't thank you enough for sharing your expertise with me on creating an extraordinary customer experience---so that I can share it with the readers of my column. I'm proud to work with you.

So, readers, what goes into creating an out-of-the-ordinary experience for the customers at your shop? I'd really love to hear your ideas. Shoot me an email!

Source: www.autobodynews.com - Written by Mike Anderson - Collision Advice

## **DOI Flubs Another One; Injustice Pervades**



John M. Parese is a partner at the New Haven-based firm of Buckley Wynne & Parese

State Farm's indiscretions in the processing of auto body repair claims seems to have gotten worse lately.

I'm not alone in noticing this. By way of example, I recently had a client who was hit by a State Farm insured. State Farm immediately accepted liability. My client's vehicle was at the repair shop when it was deemed a total loss. My client called me to report that the only way State Farm would give him a total loss figure was if he authorized State Farm to move the vehicle to Copart. I was aghast.

I called State Farm to inquire. I was advised of the same thing: my client must immediately release his vehicle to Copart, and only then, would State Farm take up the business of doing a total loss evaluation. This was subsequently verified by a

supervisor who relayed that this was State Farm's policy. I presume a new policy.

I wrote to State Farm to document this insanity and simultaneously filed complaints with the Department of Insurance (DOI) and Attorney General's (AG's) office. The letter and complaints read in part:

This will confirm that on July 12, 2023, I was explicitly informed by State Farm that the only way it would give Mr. K. a total loss payout figure was if Mr. K. first gave State Farm possession of his vehicle. I advised the total loss department that this was patently illegal. State Farm's reply was essentially: this is our policy, take it or leave it. A few moments later, my assistant, Amanda Bolduc, spoke with a supervisor in the total loss department who confirmed that this was, in fact, State Farm's policy, and that it would not, under any circumstances, give my client a payout figure unless and until he authorized the transfer of possession of the vehicle, which would be towed to Copart.

As you know, vehicles are moved around Copart with forklifts, causing irreparable damage. What is more, this transparent ploy to take my client's vehicle in such a fashion, delay the total loss process, and effectively hold him hostage with no practical option but to accept a lesser figure is unlawful and in bad faith.

Connecticut General Statute § 38a-354 prohibits insurers from requiring that an appraisal be made in specified facility (such as Copart). The stated policy at issue explicitly violates this law. Appraiser Regulations § 38a-790-6 likewise prohibit insurance appraisers from forcing claimants to get an appraisal at a specified shop. Similarly, Connecticut General Statutes § 38a-816(6) outlines certain restrictions on unfair claims settlement practices. One restriction, for example, is not attempting in good faith to effectuate a prompt, fair and equitable settlement of a claim in which liability is reasonably clear.

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On July 13, 2023, the vehicle was authorized for pickup. State Farm has still not made my client an offer. My client was forced to comply with State Farm's unlawful demand and strong-arm tactic under protest because he has no alternative.

A copy of this letter is being sent to the Connecticut Department of Insurance and Attorney General's Office with request that all State Farm employees involved in this unlawful exploitation be investigated. If this is, in fact, an official State Farm position and practice on total loss claims, we respectfully request that a cease and desist order be immediately issued to State Farm, and that all other appropriate sanctions and remedies be considered.

It's possible that I'm overreacting to this. I do that from time to time. But this one strikes me as a particularly egregious practice, blatantly violative of our consumer protection laws, and clearly designed to (1) cheat consumers on the total loss value of their vehicles; and (2) cheat auto repair shops of their rightful storage fees.

If State Farm wants to take possession of a vehicle more hastily, thereby mitigating the damages its insured caused, it should do its work more quickly and make the victim an offer on the total loss sooner. Instead, what State Farm is doing here – and in the most obnoxious way possible – is demanding that the victim (1) give up his or her rights to their vehicle immediately without anything in exchange, (2) lose all negotiation leverage, (3) give up the opportunity to make a decision to retain the vehicle, and (4) hand State Farm on a silver platter the ability to delay payment on the claim and to underpay on the total loss.

#### State Farm has cleverly taken away victim rights while simultaneously making the victim responsible for keeping State Farm's costs down.

State Farm has cleverly taken away victim rights while simultaneously making the victim responsible for keeping State Farm's costs down. It's amazing. This process ensures that victims will have to wait longer to get less money. When I learned this, I thought to myself: there is just no way any good faith consumer oversight authority such as the CT DOI would endorse what State Farm is doing. But that's exactly what happened.

In response to my complaint, State Farm contended that moving the vehicle to Copart was necessary to "mitigate damages" and to allow State Farm "better access to the vehicle so that an accurate damage appraisal could take place upon inspection." Both of these contentions are nonsense. Without any consideration for the victim's rights or interest, the DOI effectively agreed with State Farm's burden shifting scheme. The DOI also claimed to have found no violation of Connecticut law because State Farm "issued a letter stating the date they would pay for the storage fees and advised [the consumer when he] would be responsible for the storage fees after that date." This too is utter nonsense. The DOI did not even address General Statutes § 38a-354 (our anti steering law – which was directly violated), or § 38a-790-6 (prohibiting appraisers from forcing consumers where to get appraisals done – which was also directly violated), or § 38a-816(6) (our unfair insurance practices law – which was also violated). Sending a letter explaining how you are violating the law does not make something lawful.

This is not the first time our Insurance Department has sought to insulate the insurance industry from legal accountability. I presume the cost benefit analysis is one premised on giving insurance companies greater latitude with regulatory compliance in order to keep jobs here in Connecticut. Whether letting insurers break our laws in order to keep jobs here makes any sense is a political calculation above my paygrade. But seeing it over and over from this side of the table is certainly frustrating. And there is a cost when our oversight institutions choose to look away so often.

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It's born by motorist victims in their individual cases, but it's also born on the rest of us. Ripples of mistrust reverberate when powerful corporations like State Farm are given a blessing to sidestep the law.

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.



# Ongoing technician shortage continues to pose challenges



New reports are highlighting the consequences of the ongoing collision, auto, and diesel technician shortage including at least one college recently pausing its collision repair program due to low enrollment.

As the industry works to fill critical roles, details continue to emerge and highlight how a of available talent is affecting their businesses.

A 2022 survey commissioned by the Collision Engineering Program (CEP) indicated that there is a lack of awareness about collision repair careers, although people are open to exploring them. It found just 17% of survey respondents were "very familiar" with

collision repair or engineering. The survey revealed that those who were familiar with the industry were more likely to pursue a career within it.

It also found that respondents with less than 10 years of work experience are more likely to switch their careers to collision engineering when compared to others who've worked in a separate industry for more than a decade.

Fox Business noted in a recent report that if the automotive repair shortage continues to worsen, it's likely to keep exacerbating wait times and driving up the cost of repairs. "We're starting to see a lot of the old timers time out of this repair industry," Scott Benavidez, Automotive Service Association chairman, told the outlet. "And it's really getting scary for our community."

Nolan Bailey, manager of Emily's Garage, told Fox that the situation has been difficult since the pandemic and that it's now a struggle to fill a job vacancy. Continued on Page 15

"Usually, you could put out an application and when people are work hungry, you'd get 20, 30 applicants maybe in a week or two," Bailey said. "In [our] case, we got maybe four or five applicants over the course of two months."

Meanwhile, the Lawrence County Career and Technical Center (LCCTC) in New Castle, Pennsylvania suspended its auto collision repair program for 2023-24 because of low enrolment and difficulty retaining an instructor, according to local reports. The center, which offered a three-year program in collision repair, yielded just three graduates this year while a single student remained enrolled, according to New Castle News.

Automakers, colleges, and trade organizations have been working to combat low enrolment in recent years through programs aimed at incentivizing young talent to join the industry. For example:

- The Alliance of Automotive Service Providers of Minnesota (AASP-MN) is helping train the next generation of collision repairers through 22 newly awarded scholarships;
- Hyundai is partnering with Savannah Technical College to develop a new electric vehicle training program to give students a shot at being hired on with the automaker;
- Last year, about 120 people pursuing careers in collision repair and other segments of the automotive industry received help paying for their education through the SEMA Memorial Scholarship Fund; and
- Enterprise Holdings, through the Enterprise Holdings Foundation, has partnered with the Ford Motor Company Fund to add a seventh college to the CEP.

And LCCTC isn't alone in struggling to hire and retain collision repair instructors.

In April, Laura Garcia-Moreyra, an automotive technology instructor at Northern Virginia Community College (NVCC), spoke about the difficulty her school has had filling vacant positions. She said the college has been trying to recruit instructors to educate students about vehicle repairs for months, with little luck. One listing posted in January received just one external application.

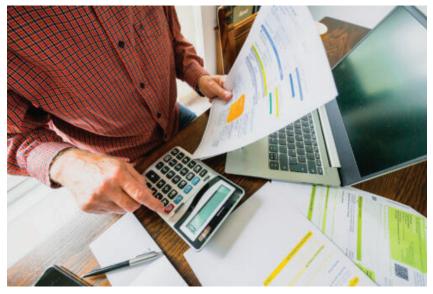
Garcia-Moreyra told Repairer Driven News that the shortage is caused by a "lack of qualified techs in the field [and] pay that is less than what a top tech in the field will earn." She added the roles require a variety of office and people skills. "All topics have vacancies, even our entry-level safety class," she said, adding people are discouraged from applying because it's "too far to drive, not enough pay and [candidates] don't want to do associated administration work."

Laura Lozano, of Contra Costa College (CCC), said her employer has been struggling to fill instructor roles for years. Last month, the college celebrated a win after the first five students in its Collision Engineering program graduated, marking a huge accomplishment for the school and a bright future for the students.

The automotive industry is no stranger to talent shortages, as it has grappled for decades with how to attract and retain skilled workers. A Techforce study found that while 232,000 techs were needed in 2021 across automotive, diesel, and collision repair, schools were graduating only 42,000. In collision alone, the demand was 35,000 techs while only 4,500 graduated.

Source: www.RepairerDrivenNews.com – Article by Michelle Thompson

# Businesses must look beyond salaries to attract and retain talent, summit hears



Businesses can no longer rely on competitive salaries alone to recruit and retain talent, a talent acquisition and retention leader said during a recent International Bodyshop Industry Symposium Worldwide (IBIS) conference.

Speaking to IBIS Global Summit attendees in Italy last week, author and talent consultant James Crawley presented on the importance of creating a strong employer brand to hire and retain employees.

"Your industry — like any industry that requires a talented workforce — faces exactly the same people challenges," Crawley said.

"Everyone struggles to attract and retain talent, and that's where employer brand comes in.

"I don't care how good your product is. I don't care how good your technology is. I don't care how good your marketing is. What businesses sometimes forget is that while 100% of their customers are people, 100% of their employees are people as well and if you don't understand your people, you don't understand your business."

Crawley said a number of elements are crucial to building employee loyalty and that while pay is a factor, it doesn't trump others including ethics, social responsibility, learning and development and a company's products. "Money only buys time, not loyalty," he said, "A company that competes for talent on a cash basis is vulnerable to the next big offer. This day of escalating salaries is like an arms race. It's expensive and ultimately difficult, if not impossible, to win."

Crawley went on to say that employees are more interested in working for a business that facilitates professional growth and stability while making them feel as though they're having an impact both on their employee and society.

He gave an example of three people digging the same hole. When asked what they were doing, one said they were digging a hole, another said they were building a foundation and the third said they were building a cathedral. "Which of those three people doing the same job has got an engaged purpose? It directly impacts your growth, your stability, your products, and therefore your customers," Crawley said, adding that purpose matters.

#### **Good communicators**

Crawley said one top pillar of facilitating employee engagement is through open and frequent dialogue. He said that can't be accomplished through annual staff surveys, which he called "a complete waste of time," but instead by annual reviews and group meetings.

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"If you're not taking the pulse of your organization with the team that is delivering your product on a monthly or worst-case scenario quarterly basis, then you might as well not bother," he said.

He said appraisals should be conducted not just to provide employees with feedback on performance, but also to provide them with an opportunity to give input on how things could be done better.

Businesses should also have regular engagement meetings so that employees from various departments can come together and provide feedback, celebrate the wins and openly discuss challenges they're facing, he added.

"That honesty will promote real trust and loyalty," he said. "And you'll get repaid with a willingness to [work] attitude amongst your team."

When an employee does resign, he said managers should always conduct an exit interview and gain insights that can help them identify more strategic issues within the business that can be addressed.

Crawley said that when an employee leaves for a genuinely better opportunity, they should be celebrated during their sendoff rather than begrudged.

"Remember that old saying, 'What goes around comes around?' Who knows where that person will be in twoor three-years' time," he said. "Maybe with a new skill they'll return to you. Or if not, maybe they'll [recommend] you to their connections because they remember how well they were treated in your business."

#### **Recruiting tips**

Crawley said retention at a business begins with retention, and that companies that have managed to attract and retain staff have done so, partially, through progressive, responsive and dynamic recruiting strategies.

He said HR professionals are "generally not the best recruiters," and that a better approach is to find new talent through existing employees who are likely already connected to others in the industry.

Crawley also said that rather than investing in customer service, businesses should invest in their teams.

"They will be happier and more motivated," he said. "A happier, more motivated team will automatically go the extra mile to serve your customers. Therefore, your customers will be happy and won't require customer service."

Source: www.RepairerDrivenNews.com - Article by Michelle Thompson



# 'Uber of estimating' is highlighted in repair plan vs. estimate discussion



The terms "estimate" and "repair plan" are drastically different and should not be used interchangeably in the collision repair space, a Collision Industry Conference (CIC) meeting heard.

A presentation led by DEG Administrator Danny Gredinberg and Erin Solis, with Certified Collision Group, highlighted the importance of differentiating the terms as a growing number of insurers rely on photographs alone to estimate damages.

As Gredinberg, who along with Solis serves on the CIC's Estimating and Repair Planning Committee, noted it can be impossible to tell the true damage to a vehicle until it is fully

inspected by a professional.

"Essentially, an estimate is just that: it's to give it a quick lookover of the damage itself," Gredinberg told conference attendees Tuesday gathered in Indiana, Indianapolis. "Truly what we are doing more and more of is a repair plan.

"A repair plan is something that requires a disassembly of the vehicle, having a staging area within your facility, having a parts cart set up to separate the damaged parts from the current parts that are being removed, [and identifying] repair procedures."

Separately, Ryan Mandell, Mitchell's director of claims performance, shared during the seminar how a company called Collective is using technology and gig workers to write low-severity estimates. According to Collective's website, this is how the process works:

- An appraiser selects a job from the app's dashboard;
- They then "review photos, validate car details, record damages and make repair or replace recommendations";
- Finally, they must submit their estimate within an hour and if they don't the job will be reassigned.

"It's essentially the Uber of estimating," Mandell said.

He said many of the appraisers are retired appraisers, body shop estimators or other industry professionals who were vetted by the company to ensure they have the right skills and experience to write estimates.

Those working for Collective are paid \$8 per estimate and typically spend 10 minutes reviewing files before providing an estimate, Mandell said.

He added that Collective is backed by a major insurance user and is currently being used to write upward of 25,000 estimates per month.

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The mere moments it takes Collective to turn in an estimate are a stark comparison to the two-and-a-half days it takes to receive a staff written estimate, or the weeks it can take for insurers to receive a direct repair program estimate, Mandell said.

"This is where there's a benefit for the insurance carrier," Mandell said. "The insurance carrier cannot solve the technician shortage. The insurance carrier cannot solve the supply chain issues that our industry is facing. So, they have to look and say: 'Where can I impact the cycle time here? How can I provide a better consumer experience?'

"And by getting and creating the right set of expectations around that initial estimate and getting that to a consumer faster," there tends to be a higher level of customer satisfaction, Mandell said, citing a JD Power study.

He said situations like these are a good example of when the term "estimate" comes into play, and that they aren't the same as a repair plan.

"This is the true definition of an estimate," Mandell said. "This is giving you an initial understanding of the scope of damages that is not inclusive of everything that may need to happen on that vehicle in order to bring it back to pre-loss condition."

CIC defines an estimate on its Wiki page as "the written determination made by an appraiser or estimator, upon inspection of a damaged vehicle, regarding the cost required to restore the vehicle to the condition it was in prior to the loss."

However, there is no definition of a repair plan on CIC's Wiki page.

Gredinberg is calling on the collision repair community to change its terminology to improve the accuracy of insurance estimates by documenting the full extent of operations and true cost of safely and properly completing repairs.

Solis agreed.

"I think on the shop side of things we have to stop using the word estimate because it is not what we're doing," she said. "It's not that that word is irrelevant anymore, it is still used, but it's what's happening at the beginning of the claims process on the claim side."

Solis added: "What we're doing as repairs is a repair plan. I think we need to keep that in mind as we move forward with what the definitions are. But for those shops in the room, it has to start with us. We have to stop using that word because it's not what we're doing."

CIC's estimate and repair planning committee is seeking the collision repair community's input on how the repair evaluation process should be defined and is collecting feedback until Sept. 30.

Those seeking to share their perspectives can do so by emailing Gredinberg at admin@degweb.org.

Source: www.RepairerDrivenNews.com - Article by Michelle Thompson

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