

The Official Newsletter of the Auto Body Association of Connecticut



Express Diagnostics Hosts Training Event for the Auto Body Association of Connecticut

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From the Desk of ABAC President Bob Amendola

A Year of Progress and Partnership: ABAC 2025 in Review



As 2025 comes to a close, I’m proud to reflect on a year marked by advocacy, education, and continued service to our members and the future of our industry. The Auto Body Association of Connecticut has remained steadfast in our mission to protect and support collision repair professionals across the state, and the accomplishments of this year demonstrate just how powerful we are when we work together.

Advocacy & Legislative Engagement

This year brought significant legislative activity affecting our industry, and the ABAC stayed fully engaged throughout the session. We closely monitored numerous bills relating to storage and towing regulations, insurance company and policy oversight, and key environmental measures including tire and battery recycling programs and zoning approvals for repair facilities. Our involvement ensured that the voices of Connecticut’s collision repairers were heard at every step of the process.

We also continued our ongoing efforts with the Connecticut Attorney General, the Department of Insurance, the Department of Motor Vehicles, and national legislators. These collaborations remain critical as we address persistent issues of insurer interference and strive for fair, transparent practices that allow our shops to serve consumers safely and effectively.

Supporting Workforce Development & CTECS Students

Our commitment to the next generation of technicians continued to grow this year. Thanks to proceeds from our previous golf fundraiser, we maintained the transportation fund for CTECS work-based learning students—a program that offers monitored transportation for students working in shops across the state. Many of these talented young people do not yet have licenses or access to reliable transportation; without this program, they would not have the opportunity to gain hands-on experience in our field. By supporting this initiative, we are not only helping students launch their careers but also helping our member shops recruit and train new talent.

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We also attended career fairs at CTECS schools and participated in PAC meetings to stay connected with educators and students. In addition, the ABAC proudly supported Connecticut's CTECS competitors at the SkillsUSA competition, demonstrating our continued dedication to nurturing skill, passion, and excellence in our future workforce.

Association Events & Educational Outreach

Our annual golf fundraiser at Lyman was a tremendous success once again, continuing to provide essential support for the transportation fund and our student-focused programs. We remain grateful to all of our participants, sponsors, and volunteers who make this event possible year after year.

Throughout 2025, we also held our quarterly meetings, offering educational content and resources to help our members navigate the evolving landscape of the collision repair industry. These gatherings remain a cornerstone of our mission—strengthening our community, sharing knowledge, and ensuring every shop has access to the tools needed to succeed.

To amplify our message beyond our membership, we continued statewide consumer advertising to champion the ABAC's mission and highlight the importance of choosing qualified, independent collision repair professionals.

With Gratitude

Our accomplishments would not be possible without the individuals and organizations who stand with us.

To our **supporting advertisers**: thank you for your unwavering commitment to our association and our industry. Your partnership empowers our mission and fuels the work we do year after year.

To our **Board of Directors**: your dedication, leadership, and tireless advocacy elevate our association and protect the interests of every member shop. You give your time and energy not for recognition but for the good of this industry, and I am deeply grateful.

To our **ABAC News Team**—Don Cushing and Dave Fogarty: thank you for your exceptional work, each and every issue. Our newsletter is comprehensive, educational, and respected throughout the state because of your passion and talent. I couldn't be more proud of what you produce.

Looking Ahead to 2026

As we turn the page on 2025, I look forward to 2026 and all that lies ahead. Our challenges are real, but so is our collective strength. Together, we will continue to advocate, educate, and elevate the collision repair profession in Connecticut.

Thank you to all our members for your continued trust and involvement. Here's to another year of progress, unity, and success.

With deepest appreciation,

Bob Amendola

Autoworks of Westville

President - Auto Body Association of Connecticut

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Express Diagnostics Hosts Essential ADAS Calibration & Service Training

Express Diagnostics recently held an on-site training session titled “*ADAS Calibration and Service: What the Automotive Professional Needs to Know*,” delivering critical education on today’s rapidly evolving ADAS (Advanced Driver Assistance Systems) requirements. This live seminar provided collision and service professionals with the technical knowledge and procedural updates needed to perform accurate, safe, and compliant calibrations.

Key Topics Covered Included:

- **ADAS System Identification**
A breakdown of the systems affected during a collision, and which components require inspection and calibration to ensure full functionality.
- **Static vs. Dynamic Calibration**
An in-depth look at the differences between the two procedures, including when each method is required according to OEM guidelines.
- **Pre- and Post-Repair Scans**
Why comprehensive scanning is essential to reveal hidden faults, validate repairs, and document proper system performance.
- **ADAS Mapping**
An overview of mapping technology, how ADAS uses it, and why proper calibration is vital to accurate road interpretation.



Why This Training Matters

Attendees learned how proper calibration can:

- **Prevent Dangerous Malfunctions:** Incorrect or skipped calibrations can lead to system failures, creating unsafe driving conditions and potential accidents.
- **Ensure OEM Compliance:** Following manufacturer repair procedures is mandatory for accurate calibration and system verification.
- **Reduce Liability:** Understanding the legal and financial risks associated with improper ADAS service helps protect both the shop and the customer.

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Who Benefited From This Session

- Collision Repair Technicians
- Shop Managers and Owners
- Service Advisors

This training offered real-world guidance to help repair facilities navigate the growing complexities of ADAS components and ensure repairs meet safety and manufacturer standards.



Submitted by Don Cushing

Inside the ADAS Training Event at Express Diagnostics: A Conversation with Kevin Hemingway, Regional Manager

We sat down with **Kevin Hemingway**, who oversees New England operations for Express Diagnostics, to dig deeper into the motivation behind the event, the industry gaps it was designed to address, and what collision shops should be preparing for next.

Event Experience & Objectives

What motivated Express Diagnostics to host this ADAS calibration training session?

We've sponsored the Auto Body Association of Connecticut with meetings and in the ABAC News Advertiser's Directory for quite some time and wanted to invite members to our facility—not only to show what we're doing, but to offer a more central meeting location.

Our hope was that shops who didn't want to drive all the way to the shoreline would find this more convenient. The event really served two purposes: bring the meeting closer to a different group of shops that may not be near where current meetings are held, and allow those shops to see firsthand what our facility has to offer.

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What did you hope attendees would take away from the seminar?

Awareness. Some shops tell us they don't calibrate or scan unless a light is on. We wanted to reinforce what OEMs actually call for and highlight the importance of following proper ADAS procedures.

Industry Insight

What misconceptions do shops still have about ADAS calibration?

The biggest misconception is underestimating the importance of ADAS systems. OEM position statements exist, but access and familiarity vary. Getting the right information at the right time is still a challenge for many shops.

How have ADAS challenges grown in recent years?

One major issue is knowing *when* to perform diagnostics. That uncertainty is what prompted us to create our ADAS Mapping program—to relieve the pressure of guessing what's required, when it's required, and why. The lack of readily available and easy-to-interpret information remains the biggest hurdle.

Training Highlights

Which part of the presentation generated the most interest?

Without question—**ADAS Mapping**. Instead of keeping attendees seated, we set up stations around the facility so people could move, observe, and ask questions. They saw one of our mobile vans, viewed real setups, and got hands-on engagement. Most were surprised by how simple the mapping process can be—and how much can be missed during a repair.

Were any topics especially surprising or eye-opening to attendees?

Definitely. Anytime you show a way to streamline a process, people tune in. We demonstrated how even a slightly bent bracket can cause major issues or warning lights. We also highlighted blind-spot measuring—something shops often overlook if no dash light is illuminated.

Practical Impact on Shops

What common calibration mistakes do you see when shops try to handle ADAS work themselves?

Unplugged components are one of the most frequent issues—usually caused by misinterpreted procedures. Windshield replacements are another big one. Many don't realize that after replacement, cameras and sensors require precise recalibration to ensure features like AEB and lane-keeping operate correctly. If they're off by even a small degree, it creates real safety risks.

Why is pre- and post-scanning still misunderstood or underused?

It shocks me that some shops still skip pre-scans. Pre- and post-scanning are the foundation of any proper repair. Without a pre-scan, you can end up chasing a code that had nothing to do with the accident.

How can shops better protect themselves from liability?

Know the OEM position statements—where they are, what they say, and when to follow them.

The manufacturer built the vehicle; they dictate what must be done. Shipping a car simply because there are no warning lights isn't enough. Pre- and post-scanning helps protect both the shop and the customer.

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Express Diagnostics' Role

How do you support shops looking to outsource calibration work?

We've always said we don't have customers—we have partners. If they have a headache, we have a headache, and our ADAS Mapping helps eliminate that. It also helps writers in the future when they see similar operations.

Do you offer mobile ADAS, or must vehicles come to your facility?

Both. About **70–75%** of our work is mobile. The rest comes to our shop, depending on the calibration. We also perform alignments, and if a shop lacks space, we offer porter service so they don't need to send two employees to drop off a vehicle.

What investments help you stay ahead of OEM requirements?

Our goal—by early 2026—is to have more than half of our mobile technicians equipped with OEM computers and software for full OEM calibrations. Insurance companies increasingly want OEM-level reporting, so our leadership believes this investment keeps us ahead of the curve.

Event Outcomes

How do you measure success for a session like this?

The feedback. We've received great, positive responses. Attendees appreciated the event and told us they'd like more hands-on sessions. Building our business is always good, but hearing that shops found real value is the most rewarding part.

Looking Ahead

Do you plan to host more technical training sessions?

Absolutely. I'm not a fan of the typical "sit and listen" meeting. I want to keep them active, engaging—and even fun.

What new ADAS developments should shops prepare for in the next 1–2 years?

The landscape shifts quickly, so it's tough to predict. But one major trend is the increasing number of security walls manufacturers are implementing. You can't just grab a scanner and dive in anymore. We're seeing more subscription-based, pay-to-play systems. Shops need to expect more restrictions, more authentication, and more OEM dependencies.

About Express Diagnostics

Express Diagnostics has been operating in Waterbury for nearly three years, and business continues to grow. Now in its sixth year overall, the company has expanded rapidly, employing eight mobile technicians throughout Connecticut and operating in a total of fourteen states. Under Kevin Hemingway's leadership, the New England region has strengthened significantly, with four technicians serving Massachusetts and another four supporting shops across Upstate New York—from the boroughs north.

Hosting an event of this caliber demonstrates how strategically Express Diagnostics has positioned itself for long-term success.

The ABAC extends its sincere appreciation to Express Diagnostics and to Kevin Hemingway for his candid insights and for their continued support of the Auto Body Association of Connecticut.

Submitted by Don Cushing

Gearing Up for 2026: The Year to Make Real Change



As we close out another year in this ever-challenging industry, one thing has become perfectly clear: the pressure from insurers is not letting up. In fact, for many of us, it feels like the squeeze gets tighter with every claim, every supplement, and every negotiation. But rather than letting 2026 arrive and overwhelm us, we have an opportunity—right now—to prepare, adapt, and strengthen our shops for the road ahead.

For some time, many member shops have been contemplating changes: refining SOPs, investing in equipment, upgrading training, rethinking documentation practices, or simply standing firmer in billing for the necessary, manufacturer-required procedures we perform every single day. If you're sick and tired of eating the short pay, **2026 must be the year you stop absorbing it and start addressing it.**

This isn't just about revenue; it's about sustainability, professionalism, and integrity. We owe it to ourselves, our teams, and our customers to operate at the standard our industry demands. That begins with communication.

Prepare Your Team for Honest, Uncomfortable Conversations

Customers trust us to repair their vehicles safely and correctly. They also deserve to understand the realities of the insurance claims process—what is covered, what is not, and why certain procedures are essential even if an insurer elects not to reimburse them. Preparing your front office and estimators to have those direct, respectful, transparent conversations is not optional anymore; it's critical.

Make 2026 the year your team becomes confident and unified in presenting the truth about proper repairs and the actual cost of doing business. These conversations aren't always easy, but they are necessary—and they can be incredibly empowering once your staff has the tools, language, and support they need.

Stay Engaged—Show Up, Learn, Connect

One of the most valuable resources we have is each other. Our association exists to strengthen and support Connecticut's collision repair professionals, but that value only grows when our members participate.

I say this sincerely: every time I attend one of our quarterly meetings, I walk away grateful I showed up. I always learn something new—whether from our presenters, from legislative updates, or from the candid experiences shared by fellow shop owners and managers. And just as importantly, I make connections that remind me that none of us are navigating these challenges alone.

If you want 2026 to be your strongest year yet, make attending ABAC meetings a priority. Bring your questions. Bring your frustrations. Bring your ideas. Our collective voice is powerful, and our shared knowledge is priceless.

Let's Make 2026 the Turning Point

This is our moment to take control of the direction we're heading. To stop absorbing losses we don't deserve. To step into the new year with purpose, preparation, and confidence.

Let's gear up, stand strong, and support one another. Together, we can make 2026 the year of meaningful, tangible progress for every shop that's part of the ABAC community.

Ashley Brunelle
Autoworks of Westville - ABAC Vice President

How Repairers Can Help Consumers Get Fully Reimbursed for a Loss



AkzoNobel experts shared strategies on how to explain the claims process to consumers as part of the SCRS Repairer Driven Education series at SEMA 2025.

Many repairers nationwide are experiencing intensified insurer pushback related to fully reimbursing consumers for rates and OEM repair procedures, according to **Tony Adams** and **Tim Ronak** from AkzoNobel. To help shops address this growing challenge, Adams, a business services consultant, and Ronak, a senior services consultant, teamed up in November to provide insight on how to help consumers who are underfunded due to a loss. Their presentation, “Developing Your Consumers’ Guide to Fully Reimbursed Auto Claims,” was held during the SEMA Show as part of the Society of Collision Repair Specialists (SCRS) Repairer Driven Education (RDE) series.

Adams and Ronak shared strategies on how to explain the claims payment process to consumers. They also offered a step-by-step guide to handling disputes and a tool kit with customizable documents that shops can use to educate and pass along to customers.

“We’re getting more pushback than we ever have because it’s costing more money to fix today’s cars,” said Adams. The purchase price of new vehicles and the total cost of repairs are rising, he commented, due to new ADAS technology components and changes in construction materials. According to CCC Intelligent Solutions, the average purchase price of new cars is now over \$50,000, and repair costs rose from \$3,331 in 2020 to \$4,774 this year.

When faced with a short pay, many consumers assume insurance decisions are final. “Absolutely, they’re not,” said Adams. He said that repairers typically follow OEM repair standards and procedures, leveraging the embedded page logic within the estimating systems. “It’s not padding the bill, but that’s the word that we sometimes hear,” said Adams. “It’s important to understand that and working to empower customers helps ensure fair reimbursement for everyone.”

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The rising cost of insurance has led some consumers to opt for higher deductibles. Adams and Ronak shared a chart illustrating the shift to higher deductibles from Q2 2021 to Q2 2025. The information was originally part of a presentation given by **Kyle Krumlauf**, director of industry analytics at CCC Intelligent Solutions, during the CIECA CONNEX Conference. CCC's research shows a 5.8% decline in the number of drivers with \$500 deductibles. While a similar percentage are moving to \$1,000 deductibles, others are choosing even higher ones, such as \$2,000 and \$2,500.

"If you're looking at what the path is to get fully reimbursed and you've got a \$2,500 deductible, and then there's a short pay on the other side of that, the insurance company is not wanting to fully indemnify their insured," noted Adams. Although it's a small percentage of people with higher deductibles, Ronak pointed out there is a growing trend of percentages doubling. For \$2,000 deductibles, the rate increased from 0.4% to 1.1%, and for \$2,500 deductibles, it rose from 0.5% to 0.9%. "Make no mistake, insurers are pricing policies such that consumers are choosing higher deductibles," Ronak explained. "The reality is insurance costs have gone up all across the country."

"I think it's a trend that we will continue to see shift in that direction," added Adams.

Understanding the insurance policy

Adams defined a consumer's insurance policy as a contract between the policyholder and insurer. "I used to tell some of my customers, 'I didn't buy your car, I didn't wreck your car, and I didn't choose your insurance company. ... I'm merely the humble service provider trying to restore your car to a safe and proper manner,'" said Adams.

Because not every insurance policy has the same types of coverage limits, Adams recommended that repairers take the time to fully comprehend the contract. This will enable them to share coverage limits, guidelines regarding repair vs. replace, payment of loss details, and appraisal clauses with customers.

He reminded repairers that they aren't lawyers and should not give legal advice. "Make sure that you're walking that line very carefully," he advised. Ronak agreed. "I don't want you to be attorneys, but you need to understand enough that you have the ability to effectively coach a consumer," he said.

He explained that an insurer's role is to ensure a vehicle is repaired in a manner that restores it to 100% of its pre-loss state, as per the insurance contract, with the lowest level of avoidable liability for the repairer.

"Insurers do not repair cars," Ronak said. "They're in the business of underwriting losses."

For consumers to get reimbursed or indemnified, Adams encouraged repairers to familiarize themselves with the terminology in the contract, such as "like, kind, and quality," "the prevailing competitive price," or "the reasonable rate as defined by us."

Ronak clarified that "like, kind, and quality" is an insurance term that refers to the vehicle being repaired to the standard it was before an accident. This can often lead to ambiguity. "I would argue that 'like, kind, and quality' is kind of vague," he said. If there are any differences, including hardness, shape, material, lumens, light, color temperature, or pattern, Ronak said those don't meet the "like, kind, and quality" test.

"Just be clear: The language is the language, and it is interpreted literally in the contract," said Ronak. "Ongoing transparency with the customer, repairer, and insurer is key."

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He also shared information about what is called “contra proferentem,” which means that if a contract term is ambiguous, it should be interpreted against the party who drafted it. In this case, if a contract exists between an insurer and a consumer, the benefit of the doubt will be given to the consumer.

“This is especially true when interpreting an insurer contract of adhesion, which is a standard nonnegotiable contract that the consumer can only accept or reject,” Ronak noted.

Quantify the loss

To better coach consumers, repairers should make an effort to understand how the insurer defines a loss in a collision claim and what the repair standard is, said Adams.

He emphasized that OEM procedures define what constitutes a safe and proper repair, and ignoring them can create safety and liability concerns. “Unless you’re an engineer and have an engineering degree specifically in automotive collision repair, deviating from the OEM standard-specified repair procedures puts you in a position of liability at the end of the day,” Adams said.

“You need to fix that car so that you have minimized your liability,” added Ronak. “We’re not looking for you to get into a fight with an insurance provider. That’s not the goal. We want you to clearly understand your role as a repairer and where your liability exists.” Adams also mentioned the importance of following the database times in the estimating system and P-Pages for procedures like structural repair, calibration, and corrosion protection.

Repair-related liability

When a collision repairer completes a repair, Adams said their legal and professional liability does not end when the customer picks up that car and is not limited to the items written on the original estimate.

“The repairer is responsible for ensuring that every repair performed restores the vehicle to OEM specifications and safe operating conditions,” said Adams. He noted the difference between warranting the vehicle for as long as the customer owns it and being liable for it after a repair. The first extends until the customer sells the car or trades it in; the latter extends until it is scrapped and removed from the road.

“That liability continues for the life of the vehicle,” said Adams. “Liability is real, and it never goes away,” said Ronak. “It can change hands multiple times.”

That means any future owner, passenger, or driver could be injured due to an improper repair. They also commented on how courts and regulators recognize the repairer, not the insurer, as the final authority on whether a vehicle is safe to return to the road.

Key points:

- - **The insurer’s estimate is not a repair blueprint.** It is a financial document and a projection of costs that may omit required OEM repair procedures. A professional repairer’s duty is to identify all the steps required for a complete and safe repair, even if they were not initially listed or approved.
- - **Liability is attached to the person performing the work.** For example, if an unsafe weld fails or a missed calibration leads to an injury years later, the shop and sometimes the technician can be held liable. Courts and experts will not accept “the insurer wouldn’t pay for that” as a defense.

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- - **OEM repair procedures define the standard of care.** Deviation from them creates exposure for negligence and product liability claims.
- - **Documentation is a shield.** Always document OEM repair research, pre- and post-scans, calibration verifications, and customer/insurer communications. If a safety-related issue arises, that record demonstrates that the repairer acted in accordance with professional standards.
- - **Responsibility doesn't expire.** The "life of the vehicle" standard means that even if the car is sold or changes hands multiple times, the repair remains traceable by VIN, and the workmanship can be scrutinized years later in court or by investigators. In the John Eagle Honda Fit \$42 million case, for example, the car changed hands four times, and the shop was found to be contributory and ordered to pay \$31.5 million.

The bottom line, said Adams, is that a repairer's liability extends beyond what's written on the piece of paper. "It covers every aspect of vehicle safety and integrity for as long as it remains on the road," Adams pointed out. "The only real protection is to repair it right, document it fully, and follow the most current OEM repair procedures every single time."

To determine who is paying for the loss, the speakers advised shops to let customers know the difference between a first-party and third-party claim. First-party claims involve the insurer and insured and are governed by a contract. In the event of a dispute, there is typically an internal appeals process, which may include the right to appraisal, mediation, or arbitration.

Third-party claims involve somebody and an insurer. They are covered by tort law, a body of civil law that provides a legal remedy — usually monetary damages — to individuals who have been injured by the wrongful acts or omissions of another person or entity. Third-party claims require proof of loss, which is defined as a formal, legally binding document that a policyholder submits to an insurance company to detail a covered loss event and the compensation that's being requested.

Ronak and Adams provided suggested steps to share with customers when handling disputes:

- - Request a written explanation from the insurer for the denial of the procedure or operation.
- - Compare against OEM procedure documentation.
- - Use a professional repairer justification to support the request.
- - Escalate with the state Department of Insurance (DOI) if needed.
- - Employ the small claims court for unreimbursed balances if the DOI fails to enforce the contract.

When there is a third-party loss, Ronak explained that insurers may also have disputes.

Adams and Ronak also addressed the "subrogation effect," which occurs when first-party insurers recover payment from at-fault third-party insurers after paying a claim under the consumer's first-party contract. They said consumers should not subsidize insurer recovery by accepting less than full reimbursement for their loss, and subrogation applies only after full indemnification for the loss has been satisfied.

"The reason subrogation is becoming a larger issue is ... we have insurers who utilize the subrogation process to their benefit," he said. "They have state-run tribunals that now audit the first-party insurer's payout of a third-party claim."

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He pointed out that if they fail to have enough documentation, the third-party insurer will short-pay the subrogated claim reimbursement from one insurer to another. The outcome, Ronak said, is that the insurer seeking third-party reimbursement now has a loss because they will get under-reimbursed for what they paid out due to not having enough documentation in place to support the claim.

When justifying a loss, Adams recommended providing documentation — including OEM repair procedures, photos, scans, and diagnostic results — to support what was needed. Consumers can also sign a Direction to Pay (DTP), a financial agreement in which the policyholder instructs the insurance company to pay the claim proceeds directly to a third party.

The speakers encouraged repairers to inform consumers of their rights, which include:

- - Right to choose your repair shop
- - Right to OEM-standard repairs
- - Right to full indemnification per contract, not partial reimbursement
- - Right to documentation of denial reasons in writing
- - Right to arbitration, appraisal, or legal recourse

To assist shops in communicating effectively with customers, Ronak shared a tool kit with documents that can serve as a starting point:

- - 1st Party Claim Denial Appeal Process for a Consumer
- - 3rd Party Claim Denial Action Process for a Consumer
- - Specific Procedure or Part Denial Rebuttal Letter for an Insurer – By Type
- Claim Denial Rebuttal Letter – ADAS Scanning and Calibration Denial
- - Specific Procedure or Part Denial Rebuttal Letter for an Insurer – By Type
- Claim Denial Rebuttal Letter – OEM Part Denial
- - Specific Procedure or Part Denial Rebuttal Letter for an Insurer – By Type
- Claim Denial Rebuttal Letter – OEM Procedure
- - Pre-Litigation Path
- OEM Part or Repair Procedure Insurer “Denial Documentation” Request Template
- - Final Demand for Payment — Failure to Fully Indemnify for OEM Repairs

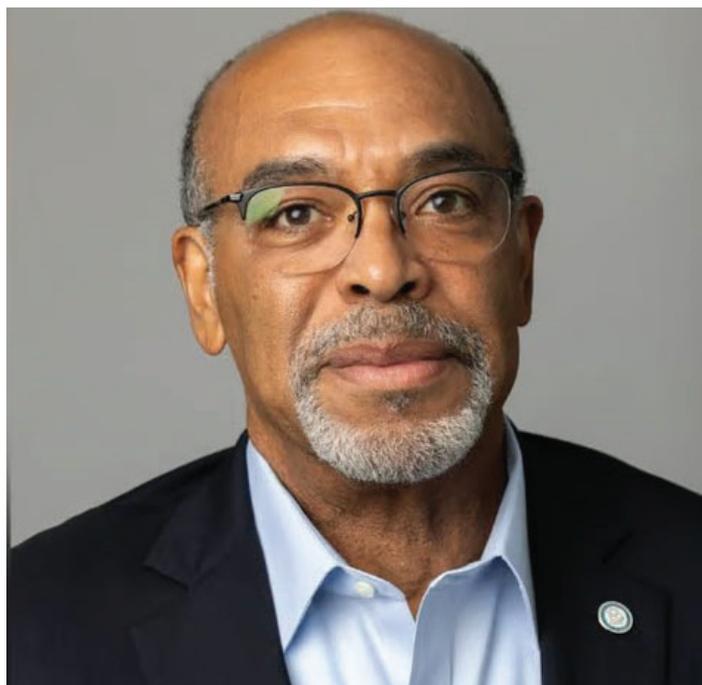
Ronak said the goal is for consumers to receive safe, fully repaired cars; for repairers to be compensated fairly for the required repairs; and for insurers to fulfill their contractual duty and avoid any bad faith exposure. As a result, he said the credibility of the industry improves.

For more information, email Tim Ronak: timothy.ronak@akzonobel.com or Tony Adams: anthony.adams@akzonobel.com.

Source: www.autobodynews.com - Article by Stacey Phillips Ronak

Connecticut mandates arbitration reform in disputed auto claims

Insurers must pay interest on unresolved portions under the new law



Andrew N. Mais
Connecticut Insurance Commissioner

Connecticut Gov. Ned Lamont has signed into law a measure that changes how disputed auto insurance claims are resolved through arbitration, with provisions requiring insurers to absorb some of the process-related expenses previously covered by the state.

House Bill 6435, now codified as Act 25-131, establishes a mandatory arbitration process focused solely on the amount in dispute. According to the law's text, issues involving liability or coverage will not be addressed through this procedure.

Arbitration will be overseen by the state's Division of Consumer Affairs and will only be available when previous mediation efforts involving the division have failed.

Under the statute, insurers must pay the undisputed portion of the claim upon receiving written notice that the matter has been referred to arbitration. This requirement does not prevent the claimant from continuing to pursue the disputed portion through arbitration.

The law directs the state insurance commissioner to compile a list of 10 arbitrators eligible to conduct the hearings. Arbitrators must issue written decisions within 15 days of the hearing. These rulings will include appropriate remedies and may require carriers to pay a 15% annual interest rate on the disputed amount, retroactive to the date the undisputed amount was paid.

This 15% interest provision is a key component of the act. If the arbitrator finds in favor of the claimant, insurers must pay interest on the disputed amount beginning from the date the undisputed payment was made.

Arbitrations may also require insurers to reimburse the state insurance department for costs incurred in administering the arbitration. This reimbursement requirement will not apply if the policyholder previously declined a settlement offer equal to or greater than the final arbitration award. In cases where the insurer prevails, the department will continue to bear the arbitration costs.

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Rising arbitration costs

Historically, both parties to arbitration have paid a \$20 filing fee since 1989. However, the department's costs have increased significantly over the years.

According to Insurance Commissioner Andrew Mais (pictured on the previous page), the average cost to conduct a hearing now totals approximately \$3,075. This amount includes \$925 for administrative handling, \$1,350 in arbitrator fees, and \$800 in final administrative costs when hearings move forward.

Despite these expenses, the number of arbitration cases remains relatively limited. In fiscal years 2022 through 2024, the department handled an average of 29 hearings annually. Of these, approximately 15 resulted in decisions favorable to the claimant.

Lawmakers have noted that while the caseload is modest, the fiscal implications of the arbitration process can be meaningful for both insurers and the state.

Legislative analysts have estimated that the new structure could result in reimbursements to the state of approximately \$35,000 in fiscal year 2026. This figure is expected to rise to around \$50,000 annually in subsequent years, assuming arbitration volume remains consistent.

Industry trade associations objected to the legislation, arguing that insurers already fund the insurance department through regulatory assessments. In a joint letter, several organizations said that arbitration-related costs should continue to be included in the agency's regular operating budget rather than through additional fees or reimbursements.

Still, the groups described their concerns as limited due to the small number of arbitration hearings. In 2023, 20 hearings were held, with 15 outcomes favoring the claimant.

The average cost per hearing was reported to be approximately \$3,075, meaning insurers would have collectively paid \$46,125 under the new reimbursement structure.

Source: www.insurancemag.com

Arbitration Procedure for Motor Vehicle Damage Claims

This session, the legislature passed a new law that makes certain private passenger motor vehicle insurers, instead of the Insurance Department, responsible for the department's administrative costs associated with statutorily required arbitration hearings to resolve disputes between claimants and insurers over claim amounts. Under the new law, if the arbitrator's decision is in the claimant's favor, the arbitrator must require the insurance company to reimburse the department for its costs to administer the arbitration hearing as long as the claimant did not reject a pre-arbitration offer of compromise from the insurance company for an amount that is at least the arbitration award's value (PA 25-131, effective October 1, 2025).

Private Equity & Consolidators... Maybe Not So Great



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

I recently wrote an article critical of the private equity incursion in medicine and my fears about what it could do to the legal profession. These concerns are similarly applicable to the auto body market, as its dynamics are similar. Some of you may have been approached, or have heard from friends or colleagues who have been contacted, by corporate entities looking to buy up shops. What's happened in medicine can be a harbinger of what's to come for law and auto body. Here's my article.

Over the last decade, private equity firms have been buying up medical practices across the country. The results have not been encouraging. Patients have watched costs rise, appointments shorten, and decision-making shift away from what's best for their health and toward what's best for an investor's bottom line.

At its core, medicine depends on trust. You need to believe that your doctor is recommending a treatment because it's right for you—not because it helps someone hit a quarterly earnings target. The more layers of corporate ownership and bureaucracy that get in the way of the patient-physician relationship, the worse that is for patient care.

We should take that lesson to heart before welcoming private equity into the practice of law.

Why It Matters for Law

The attorney–client relationship is no less sacred than the doctor–patient bond. When you hire a lawyer, you expect that your attorney's loyalty is undivided—that every piece of advice, every decision, is guided by your best interests. If law firms were owned, even in part, by outside investors, that allegiance could be compromised.

In practice, this conflict could inspire a lawyer to manage a case not for justice, but for profit margins. A client's future could be shaped by what makes the best financial sense for shareholders rather than what is right for that client.

That's not the legal system anyone wants.

The Difference With Lawyer-Owned Firms

Law firms are run by practicing attorneys. Their “shareholders” are their clients. Their reputations are built over time by doing good work, earning trust, and zealously advocating on behalf of the people they represent.

Reputation is brand. It can't be manufactured with advertising dollars or propped up by outside money. It is earned, slowly and deliberately, through honesty, hard work, and results.

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Keep the Focus Where It Belongs

Just as patients don't need more bureaucracy between them and their doctors, clients don't need private equity meddling in the practice of law. Both professions rely on personal trust and professional integrity. Diluting that with investor demands risks turning essential services into just another commodity.

The legal profession should stay true to what it has always been: a calling rooted in service, not a financial instrument. For consumers, the safest choice will always be a firm run by lawyers who answer to one group and one group only—their clients.

The concerns explored in this article can be equally pertinent to changes we are seeing in the auto body repair industry. The same incentive structures exist. I would suggest that repair shops are better off beholden to their customers – the vehicle owners – rather than financiers focused almost exclusively on bottom-line figures. I worry that large-scale operations and private equity interests could adversely damage a shop's ability to deliver on commitments to quality and craftsmanship. I worry that reputations that are hard-earned over many years could be lost to automation and corporate formalities. Private equity and large consolidators will have forces at work that can take a shop's focus away from quality and toward efficiency. Not all efficiency is bad, of course. But as with anything (including, for example, Don Cushing's holiday drinking), we all know that too much can be too much.

After seeing what private equity has done to medicine, and fearing what it could do to the practice of law, repair shops should be mindful of these forces when contemplating bringing that kind of element into their shops.

I wish you all a wonderful holiday season and a happy New Year!

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Ford CEO puts focus on repair technician shortage impact to the economy during town hall



Ford CEO Jim Farley made the need for more repair technicians a focus in his discussion on the essential economy during a Ford Pro Accelerate conference recently.

“Today, this morning, there will be 600,000 empty stalls in our dealerships, no technicians to work in them,” Farley said during the opening discussion of the town hall.

He said Ford puts an incredible focus on recruiting technicians. “Every month, my leadership team around the globe gets together and we measure the shortage of technicians in every country,” Farley said.

The shortage of trade workers is a major problem for the economy, he said.

“The problems in the essential economy are problems for all of us,” Farley said. “They lead to inflation, higher housing costs, delays in projects, lack of opportunity. But the success in the essential economy will unlock so much opportunity for all of us.”

During the first hour of the town hall, Farley discussed issues that are impactful to the economy with David Westin of Bloomberg. Farley described apprentice programs in other countries, explaining how workers at Ford plants in Germany started out as apprentices at a younger age while in school.

“When my team and I travel to places like Germany, China, and Korea, we see that we’re pretty far behind,” Farley said. “They get it. What they do is invest. If anything comes out of today, it’s this: we need to figure out how to invest in the people who build things.” Farley said one of the biggest problems in our nation is the hesitancy of people to go into trade jobs. “As a society, we don’t really reward people for doing this type of work like we used to,” Farley said. Society has put more emphasis on four-year colleges and white collar jobs, he said.

Farley said he started looking at the technician shortage after talking to entry-level workers during the UAW strike. He said the new agreement was to get full wages for entry-level workers. He added that entry-level workers told him during the strike that they needed three jobs to make ends meet.

There are \$100,000-plus jobs that are unfilled but need training, Farley said. “You can’t work on a diesel F150 if you haven’t been trained for a minimum of five years,” Farley said.

Westin asked if AI would help with the shortage. “There will be a lot of productivity opportunity,” Farley said. “If you are repairing a heavy duty F150, augmented reality AI is a game-changer. Just ask my team, they will tell you. We need to use AI to make those repairs much simpler for people, but it’s also a risk. The efficiency in automation always rips through our economy, and it will take jobs away from all of our economy.”

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However, very few AI companies pitch ideas that would help make car repair more efficient, or assist factory workers, he said. He said most AI companies focus on white collar efficiency. AI also means the construction of more data centers, Farley said.

“Who is going to build all these data centers? We have huge construction companies here today, they will tell you this is a big issue for them,” Farley said. Westin said, “We have a tendency in this country to say, ‘The government should fix it.’ How much of this is a government issue? How much is it a private sector issue, or other?”

Farley said the private sector should be involved in making the change but small business owners, like Ford Pro consumers, don’t have the same resources. “I don’t think we can rely on the government to do this, but they can do more than they are,” Farley said. “It comes down to our communities. We need our communities to step up, and Ford can support the communities.”

He said this includes state, county, and local educators as well as local businesses working together. Farley said he does see momentum from mayors and county leaders, but the conversation is harder the higher it goes.

Yet, later in the day, U.S. Secretary of Labor Lori Chavez-DeRemer sat on a panel where she spoke about the federal government’s attention on the issue, according to a Ford blog. “We’re up against a timeline,” she said. “We have to make sure the diversity of educational options is right and that everybody is at the table.”

During Farley’s conversation, Westin mentioned that the Trump administration has called for an emphasis on vocational training. He asked if Ford was seeing that yet.

“Not yet, but what we do see is more local leaders willing to make the change,” Farley said. “We have to come up with some programs. If Ford has to take the lead, or other companies have to sacrifice our short-term profitability to put more people in the workforce as apprentices, I think we are going to have to.”

He said this option doesn’t work for small businesses.

Larger businesses need to invest in vocational schools so that small businesses have a place to recruit workers, he said.

Farley said he’s started having discussions with philanthropy organizations, such as Bloomberg Philanthropies.

When asked about Trump’s tariffs, Farley said that the president has been committed to companies like Ford that make all their products in the U.S. However, he said this only expands the demand problem.

“We are going to need more technicians,” Farley said. “If Ford is more successful in the U.S., we are going to need more vehicles repaired. I see the policy is very well-intended, but in the end, it is just going to be an issue. It may show up in inflation or in workage delays.”

He said it is too early to tell how tariffs will impact the economy, but said it will put a higher premium on doing things within the country.

“Everything will be more expensive,” Farley said. “There will be a period where we have to sort out what the tariffs are.”

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