

ABAC NEWS

MAY - JUNE
2012

Visit Us Online At
www.abaconn.com

The Official Newsletter of the Auto Body Association of Connecticut



We Welcome New ABAC President Tony Ferraiolo - A&R Body Specialty - Wallingford

Big Shoes

A size 12 shoe may seem large to some people, but to fill the shoes of the past Auto Body Association of Connecticut President (and past presidents before him) I will certainly need a bigger shoe size!

As far back as I can remember the ABAC has had great leadership; a dedicated group of individuals that have moved our association continually forward.

I became a member of the ABAC in the mid 1990's when **Bill Denya** recruited me, assuring me that I need to learn more about running a business. He told me that it is much more than just fixing automobiles. He also mentioned something that, at first, I was offended but soon realized that he was right. He told me that I was brainwashed! Once I accepted that fact that I WAS brainwashed by the insurance industry to do things their way, I really started to learn how to operate my business.

I began attending ABAC membership meetings and there was a lot of information that was provided to us by the late, great **Mike Brunt**. Mike was truly ahead of his time. He taught me that I needed to know what my costs would be just to open the door of my business in the morning. He educated me on knowing what my labor rate should be.

(Continued on page 2)

Also in this issue.....

ABAC Conducts Annual Meeting & Elections	Page 3-4
The Illusive Markup	Page 5
State Farm Parts Bidding Process Draws Fire	Page 6-7
Parts Dealer Speaks out Against State Farm	Page 8
"In the Headlights"	Page 9
Future Vision - Will Driving Become too Safe to Insure?	Page 10-11
ABAC Corporate Sponsors	Page 12
ABAC Officers	Page 12



(Continued from page 1)

Mike had a formula that to this day my accountant uses a similar version of. But, what is most important, is you need to **document and charge for EVERYTHING** that you do. Still, too many of you don't really know what you really should be charging. We all need to know this information to be able to post a fair labor rate based on our costs. (See your accountant!) At each of these meetings I would always pick up some new ideas to make my own.

Next, it was **Bill Denya** who educated me on Insurance Department Regulation 38a-790-8. We could spend a lifetime, and for some it seems to be taking that long, to realize that this regulation is some of the most important support that we have in this great State of Connecticut, but it's just not enforced. However, don't abandon it!

Following Bill, this next President led the way to proving to consumers that there is a difference between O.E.M. parts and aftermarket parts. **Eddie Lupinek** took the charge on discrediting aftermarket parts and he has taught me that when you know your right stand up and prove it. Then people will believe.

Then **Michael Wikowski** taught me about class, loyalty and respect. His dedication is unwavering.

Chip Platz showed me passion. He also is a man of few words unless he does not agree with you.

Karl Mauhs. What Karl represents is stand up for what you believe, don't back down and above all don't take any prisoners. Respect people but don't let anyone push you around.

Next was **Tom Bivona**. Tommy has a way of bringing people together. He is very likeable and very smart. Tom will always support a cause he believes in and will always be there to help his family and friends. His knowledge of our industry, the insurance industry and the wrong doings of both is amazing.

This brings us to our immediate past president, **Bob Skrip**. Bob has brought this association to a National level. His good attitude, compassion and respect for others show how he was able to raise us to that level. He also had learned a great deal from the past presidents, and carries that torch to our membership. His article writing and topics are always of interest and knowledge.

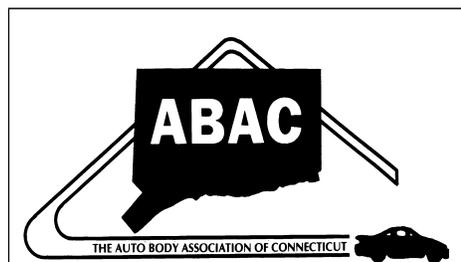
I don't know if I can fill these shoes, or what I will bring to you the membership, but I will try to make the people I learned a lot from very proud. I look forward to being the president of this association. I won't have all the answers but I will surely try to get them for you. I also appreciate the board of directors; I know first-hand what a dedication it truly is to serve on the board. I appreciate their trust in me to carry the torch. I look forward to a year filled with education for the membership. Please take advantage of the hard work YOUR association is doing to set up these meetings. Support, get involved and together *we will make a change in this industry.*

To summarize what I have learned from my predecessors: Know your costs; break free of the brainwashing; be loyal and respect your colleagues; disagree when you know you are right; don't back down; gain knowledge of your industry, and above all have a good attitude.

Thank you,

Tony

Tony Ferraiolo
ABAC President
A&R Body Specialty - Wallingford



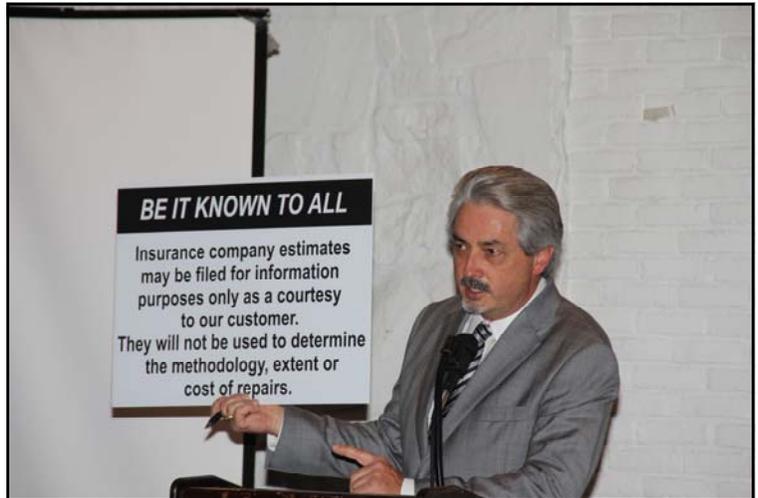
ABAC Conducts Annual Meeting & Election of Officers

The Auto Body Association held its Annual meeting on May 8th, 2012 at the Chowder Pot Restaurant in Hartford, CT.

President Bob Skrip started the evening by reading the Anti-trust Disclaimer. Bob then recognized and thanked the sponsors for this meeting:

- Enterprise Car Rental
- Bald Hill Dodge-Chrysler-Jeep & Kia
- Security First Insurance
- Kent Automotive

Bob also thanked the ABAC News Supporting Advertisers and the ABAC Corporate Sponsors.



Up to the podium was Board of Director Bill Romaniello who shared an article from Collision Week titled, "Allstate's First Quarter Profit Rises 46%". Deadpanned Romaniello, "The same thing is probably happening in your shop right now" which brought laughter in the room. Bill then went on to cite several articles showing insurance industry corporate greed. This information is in print and out there for you to see.

The first of our guests making presentations was Larry Rosetti, Regional Sales Director for Kent Automotive. Larry was joined by Les Menshouse, District Sales Manager and Tom Simpson, CT Sales Manager. Larry mentioned that Kent Automotive is part of the training alliance with I-Car. Says Rosetti, "We can help the ABAC with some training classes. Les is an I-Car instructor. He can come into your shop and perform the I-Car classes right in your (facility) which is a convenience to everyone and would be very helpful." You can contact Larry @ 888-YES-Kent and he and Les will be more than happy to help you with their products and/or arrange classes for your business. Visit Kent Automotive online: www.kent-automotive.com.

Next up was Gerard Carbonaro, Vice President of Security First Insurance Group. Gerard was joined by Anthony Renzoni III, Director of Employee Benefits and Elizabeth Molina, Personal Insurance Lines. Says Gerard, "Security First Insurance works for YOU. We work for our customers. Our carriers work for us to give you the protection that you need at a competitive price." Renzoni mentioned that Security First not only specializes in business, homeowners and personal lines of insurance but they also have an expertise in employees benefits. Renzoni referred to the insert that was sent out to all members in the March-April issue of the ABAC News which had some great offers for everyone. For more information, please contact Security First Insurance @ 800-647-7321 or visit their website, www.securityfirst.com.

To the podium was Dave Fogarty of the Lorensen Auto Group who gave us some information about State Farm Insurance's new parts bidding process for collision shops and how it will have a tremendous negative effect for our collision industry and our parts industry. You will find more information about this program in this issue of the ABAC News. Bill Romaniello followed up with a discussion on what this program means for YOUR business and the adverse effect it will have. Bill then had Tony Lombardozzi, President of the CCRE who shared his thoughts and feelings on this program. More information and a position statement on this subject will be forthcoming from the ABAC shortly.

(Continued on page 4)

(Continued from page 3)

After a short dinner break, Bob Skrip introduced Attorney John Parese from Buckley & Wynne. Mr. Parese gave us a presentation on: "Repair Forms; What you need to know and why." This subject is so important to everyone's business and having a person like Attorney Parese to help us and explain what we need was an invaluable part of this meeting. John also gave us samples of what meets the statutory requirements.



Following Attorney Parese was the 2012 ABAC Election of Officers. Nominated and elected to office were:

- President - Tony Ferraiolo – A&R Body Specialty – Wallingford
- Vice President – Bill Romaniello - All Pro Collision - Plantsville
- Secretary – Mark Wilkowski – Stanley's Auto Body – Waterbury
- Treasurer – Mike Wilkowski – Stanley's Auto Body – Waterbury

Romaniello then presented now immediate past president Bob Skrip with an award for everything that Skrip had done and accomplished with and for the Auto Body Association of Connecticut.



Next up to address guests was Mike Parker of Parker's Auto in Rutland, VT. Mike discussed Assignment of Proceeds giving us great information and how to work with this in our businesses. Again, this meeting information is more than worth the price of admission to any of our ABAC events!

Romaniello closed the ABAC Annual meeting with this, "I'm very proud to be part of this association. I'm very proud to look around this room tonight and see that – NOBODY moved, NO ONE left, you're ALL here – that means that there's a clear message that was sent. We ALL need to get our dollars back!"





The Illusive Markup

Unlike previous articles I have submitted, I'm going to approach this one a bit differently. Instead of offering advice or legal guidance, I'm going to ask for *your* help and guidance. You see, I've been approached by a number of shop owners with similar complaints involving marking up parts and sublet services. I can't seem to find much guidance in my traditional resources (statutes, regulations, case law, administrative reports, etc.), so I'm reaching out to you. Yes, this means I'm officially desperate.

Here's what we know. A "markup" is the difference between the cost of a good or service and its selling price. A markup is added to the total cost incurred in order to create a profit. Customarily, when a repairer is caused to pay for services on a job, whether due to sublet repairs, purchasing parts, paying a tow bill or otherwise employing precious capital, the repairer generally charges a reasonable markup. This right does not appear to be well defined in any particular statutes or case law, but instead seems to find its strength in custom and common sense. As such, problems periodically arise.

For example, can an auto body repairer who does not own a tow truck, markup the two tow bills following a nonconsensual tow (i.e. First Tow: scene to tow yard, Second Tow: tow yard to auto body shop)? I am unaware of any formal opinions or ruling on the matter, but my sense would be that a repairer should be able to mark up both tows. I happen to think it's unreasonable to expect a repairer to put out and risk its own precious money for free. Would an insurance company – or any other service professional – offer you that same courtesy? Of course not. Or how about the markup secondary to a sublet repair or on parts sold to the shop on discount? Again, I happen to think, as part of a reasonable profit, you should be permitted a reasonable markup.

Consider this scenario. You send a customer's vehicle out for a front-end alignment. You take two technicians out of the shop to deliver the car, and then again to pick it up. You write a check out of your business account to pay for the alignment. You bear the responsibility of record keeping, as the DMV requires that you keep those records for at least two years. You will eventually need guidance from your accountant on the tax implications of the transaction. And, if your customer refuses to pay you, you're stuck. Is it fair that you do all this for free – with no markup? Of course not. Yet some of our friends in the insurance business think you should do all of this for free. Believe it or not, you're not the only victim here.

Consider the tax implications and revenue loss to the State of Connecticut. You pay significant tax on markups. Thus, when insurers refuse to pay markups, they are not only taking money out of your pocket, they are also taking tax revenue from the State. Where's the outrage from our friends at Revenue Services?

Ultimately, when an insurer refuses to pay your markup, you always have the right to retain the vehicle (pursuant to your artificer lien rights) or otherwise bring a claim against the customer or third-party tortfeasor (by assignment) under the theory that your bill is reasonable and necessary to restore the vehicle to pre-loss condition. But holding a vehicle hostage and/or bringing suit is not always an ideal option.

So, here's what I'm proposing. If you have a problem getting reimbursed a fair and reasonable markup, let me know about it. Send me an e-mail with as much detail as you can. I will collect this data and work with the ABAC toward addressing our collective options.

I hope you found this lack of information helpful.

John Parese
Buckley & Wynne Attorneys at Law

State Farm Parts Bidding Program Draws Fire

State Farm launched an online parts bidding program with improved efficiency in mind, but shops involved with the pilot aren't convinced of the program's value.



State Farm Insurance Co.'s launch of a pilot online parts ordering and bidding process earlier this year has sparked controversy among shops in test regions. The program, which is being tested in Tucson, Ariz., Grand Rapids, Mich., Charlotte, N.C., and Birmingham, Ala., requires shops affiliated with State Farm's Select Service direct repair network to source parts from vendors through a Web-based process facilitated by Parts Trader. Repairers are required to submit parts orders through Parts Trader, and vendors bid for the sale by offering their lowest possible price quote.

State Farm says the program is anticipated to become the standard for all Select Service network shops across the country. Dick Luedke, media relations specialist for State Farm, says the parts bidding program is meant to curb problems with parts returns and cycle time by improving quality, part availability, process efficiency, order accuracy and competitive pricing.

"Our focus is to provide customers with a consistently remarkable experience. Efforts to improve repair efficiency and reduce delays within the repair process support that focus," Luedke says. "We believe it is in our policyholders' best interests to pursue initiatives that help promote a competitive marketplace. We believe that repair quality, efficiency and competitive price are all important aspects of our repair program. Anything that benefits our shared customers is good for repairers and good for State Farm."

Luedke says State Farm analyzed the parts ordering process used by the industry, and identified an opportunity to reduce the amount of time and effort involved with searching, locating and sourcing all part types. "We anticipate that the repair process will be enhanced as repairers gain the ability to see a larger selection of available parts to make their purchasing decisions," Luedke says. "The electronic parts ordering application is another resource that can assist repairers in managing their overall performance."

But some repairers in test regions have experienced different outcomes. A shop operator in one of the test markets, who has been using the program for two months and wrote a letter to industry professionals highlighting concerns, says the process is actually hindering efficiency and parts profitability. The shop operator declined to use a name to maintain relations with State Farm.

Here's a breakdown of how the new program works:

1. Shops write a complete estimate with OEM parts listed in the database and save in preliminary status.
2. That estimate is exported to the shop's EMS directory. The Parts Trader software pulls the parts listed in the estimate into the application automatically.
3. Within Parts Trader, the parts needed for a repair are forwarded to parts suppliers for price quotes.
4. Suppliers have a minimum of one hour to submit price quotes back to the shop. When the quote time expires, shops review the price quotes and order selected parts.
5. Shops update the original estimate with the part types and prices they selected.
6. Lock-in and upload the final estimate.

George Avery, auto claims consultant—P&C Claims for State Farm, says the program is not intended to dramatically change repairers' part selection processes. Shops do not have to alter the vendors they source their parts from, and are not forced to meet price requirements for parts.

Avery says State Farm visits each of its Select Service shops and asks for a list of suppliers they use. That list is submitted to Parts Trader, which contacts each of those vendors to set up them up with the program if they choose to participate. "The system is populated with only those suppliers that repair facilities already use," Avery says. "State Farm does not put any suppliers into the system, and does not take any off. It's all a result of what repairers do." Although roughly 98 percent of suppliers within the test markets are involved with the program, Avery acknowledges there is a possibility that a repairer's regular supplier could refuse to get involved. "That is perfectly fine. There is functionality within the system to continue interacting with those suppliers," Avery says. "Shops do not have to work only with suppliers who participate with the program." The bidding process is the first piece of the program that the anonymous shop operator found problematic. The shop is experiencing delays ordering and receiving parts because the process requires a minimum delay of one hour to receive price bids, afternoon cut-off times for orders can be delayed until the next workday, and there are delays

(Continued on page 7)

(Continued from page 6)

uploading estimates to State Farm.

“I can say with authority that [the program] is an administrative burden, which has created inefficiencies that have dramatically slowed down our time-proven processes by a minimum of 30 percent,” the shop operator says. “Before we were forced to use this bidding software to procure our parts, our repair center had the capability to estimate damage, disassemble the vehicle for inspection and blueprinting, and have parts ordered all in less time than it takes to receive quotes through this new ‘efficiency improvement’ process that State Farm has forced us to use.”

The shop says the program is hurting efficiency in two other ways as well. Once the shop receives price bids from vendors, it has to manually re-enter parts prices and information into the estimate before it can be finalized. It’s also cumbersome for the shop to capitalize on OEM price-matching offers for parts because it has to write new estimates and submit bids multiple times. “We write an initial estimate with all OE parts and wait a mandatory one hour before quotes are available for review. Then the estimate needs to be re-written using those quotes and submitted to another program for price-matching options. After the second round of quotes are reviewed, the estimate is re-written again,” the shop says. “That means writing the same estimate up to three times and parts are still not ordered. How does that make part ordering easier and more efficient?”

Avery says those inefficiencies are mainly due to a lack of integration among all segments that participate with the program. The company is working on implementing improvements by integrating the program with industry information providers—CCC Information Services, Mitchell International and Audatex, a Solera Company—parts suppliers and shop management systems.

With the lack of those three levels of integration, the system does currently have some inefficiency. Right now, shops have to wait a period of time before price quotes come back. Integration will remove those problems,” Avery says. “By integrating with suppliers, for example, suppliers will be able to pre-price parts and functionality will be immediate.” However, State Farm does not have any timeline in place of when those improvements will be completed.

State Farm says the parts bidding program is [meant to promote competition within the parts industry](#). Shops are able to obtain the lowest possible prices by enticing suppliers to compete. But the test market shop says that competition is hurting profitability on the company’s parts sales because part suppliers reduce the standard list price.

For example, say the standard list price of a fender is \$120. As vendors compete for the sale, one supplier might drop the standard list price to \$100. If you typically aim for a 30 percent profit margin on parts, shops only obtain a 30 percent profit margin on \$100 rather than \$120. In addition, according to documents provided by the Society of Collision Repair Specialists (SCRS), some parts dealers have recognized their reduced profits due to offering lower bids. So some have started raising repairers’ costs to purchase the part, which is shrinking profit margins by multiple percentage points.

Avery says the bids that suppliers offer are completely up to them. There is no requirement to offer any discount. “State Farm is not involved in the relationship between suppliers and repairers as it relates to paying for parts. We don’t have any business in that space,” he says. “State Farm could require discounts or concessions, but we don’t think that’s the long-term model down the road. Our focus is on competition.”

Avery adds that repairers also have full control over what parts they select and where they’re sourced. There is no requirement for repairers to select the lowest bid. But the test market shop is wary of that claim because of State Farm’s scorecard system. Competitive price is one component that State Farm rates shops on, and the shop operator feels that failure to select the lowest bid could reduce the company’s score and tiering within the Select Service network. And as a shop’s scorecard rating and tiering is reduced, it receives fewer job referrals from State Farm.

State Farm says its Select Service shops do not need to worry about being removed from the program if they don’t select the cheapest bids. “Using the program is a provision for repairers within the Select Service agreement. Repairer refusal to use the program would cause us to part ways,” Avery says. “But actual part selection will not be the basis for removal. Over time, repairers might find the program actually helps improve their scorecard rating.”

Although neglecting to select the lowest bid for a part seemingly defeats the purpose of the program, State Farm’s Luedke says the program benefit is wrapped in that initial three-pronged approach: quality, efficiency and price.

“If we can quantify this in terms of points, if we can gain two points in quality, we’re willing to give up one point in price,” he says. “We want the best possible combination of those three elements.”

***Reprinted with permission from FenderBender
Visit www.fenderbender.com for more updated information***

Parts dealer speaks out against State Farm parts bidding program

Body shops aren't the only segment of the industry opposed to [State Farm's new online parts bidding program](#). Parts dealers have concerns, too.

The program, which is being tested in Tucson, Ariz., Grand Rapids, Mich., Charlotte, N.C., and Birmingham, Ala., requires shops affiliated with State Farm's Select Service direct repair network to source parts from vendors through a Web-based process facilitated by Parts Trader. Repairers are required to submit parts orders through Parts Trader, and vendors bid for the sale by offering their lowest possible price quote.

Marvin Windham, parts manager for Benchmark Chrysler Dodge Jeep Ram in Birmingham, Ala., and co-owner of Overnight Parts Alliance, which distributes wholesale OEM parts for 31 franchises, says his company is choosing not to participate in the program.

Windham says the Parts Trader program—which State Farm says is meant to curb problems with parts returns and cycle time by improving quality, part availability, process efficiency, order accuracy and competitive pricing—does not provide any value to his operation. He cites three main concerns:

First, State Farm has said that the repair process will be enhanced as repairers gain the ability to see a larger selection of available parts to make purchasing decisions. The electronic parts ordering application is another resource that can assist repairers in managing their overall performance. But Windham says his shop customers already have efficient means of submitting parts orders electronically. "I've chosen not to use it because Parts Trader provides no value to us at all," he says. "It's ultimately just a portal for shops to send estimates to us. But they already have a way to send orders to us electronically without charge."

Second, State Farm has said its new parts process should reduce the amount of time and effort shops spend searching, locating and sourcing all part types. But Windham says the program creates extra administrative work on the dealer side, and the program does not lend itself to productivity gains. When parts come in for bidding, Windham says they have to look up and verify each part the same way they would if actually selling the order. They have to specify the order, input price information and send it back to the shop via Parts Trader. That process takes up to 15 minutes per order, without knowing whether the bid will even get selected. It ends up being all wasted time if the shop doesn't select the bid, Windham says.

Third, State Farm has said its bidding program is designed to promote price competition within the parts industry. Windham says his company already offers its lowest possible parts prices. And he wants to ensure that shops continue to benefit from any parts discounts offered. "I want to give discounts to my shops, but this program gives discounts to State Farm. I don't want to take part of my discount that I offer to body shops, which I have built relationships with over the course of 35 years, and turn around and give it to State Farm," Windham says.

Windham says profit margins within wholesale parts operations are already very low, and high fixed costs don't allow him to reduce the MSRP on parts and still offer normal discounts to shops.

"I can't give my standard shop discount off of a discounted MSRP. I can only offer so many dollars off of a part," Windham says. "If I give a 5 percent discount to State Farm, then I have to take 5 percent away from my shop customer. I'm not willing to do that. I have relationships strictly with the shops, not with State Farm."

Windham says several wholesale parts dealers could be run out of business if State Farm's program continues and becomes a national program. There are many wholesale dealers that provide additional services to shops, such as huge parts inventories, technical information for repairs, several delivery routes in operation, and customer service representatives that offer high levels of service.



In The Headlights

This issue, the man who has been the “headlights” for the ABAC the last four years, finds himself, In the Headlights!

Bob Skrip has been the President of the Auto Body Association of Connecticut (ABAC) for the last four years.

His accomplishments are numerous.

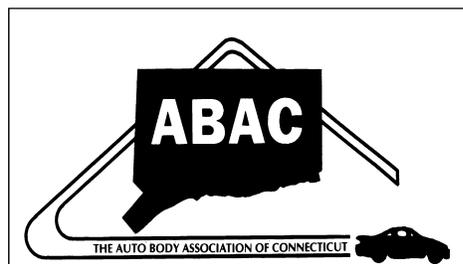
Let's try to identify them:

- Bob has reached out to national associations and has gained their respect and confidence.
- He has traveled the country to meet with industry leaders.
- He has brought education to ABAC members on numerous topics.
- He has led the way to bring collision repair shops in Connecticut, and other states, up to the millennium.
- He has taken leadership of a dedicated board of directors and has delegated responsibility to get things done.
- Bob was one of the named plaintiffs in the class action law suit against the Hartford Insurance Company where the jury awarded more than \$14 million dollars! Bob did this not for personal recognition but for our industry. He stepped up to do what he felt was the right thing to do.
- He loves his career choice and is good at it.
- Bob is a dedicated father and is fortunate to work with his sons at his family business.



We all want to thank Bob again for his dedication to our association, and wish him well in his semi-retirement.

Bob was awarded a plaque and the new title of ambassador of good will for the ABAC on a national level.



Future Vision: Will Driving Become Too Safe to Insure?

What would happen to the auto insurance industry if automobile safety improves to the point that vehicle collisions become relics of the past?

That's the question explored by global consulting and research firm, Celent, in a new report that envisions a future of increasing [emphasis on safety](#) in the automobile industry and among government entities that leads to a massive drop off in auto insurance premium for U.S. property/casualty insurance companies.

In its own introductory words, "A Scenario: The End of Auto Insurance — What Happens When There Are (Almost) No Accidents," by Celent Senior Analyst Robert Light, "describes a provocative, but plausible, scenario for the not too distant future of the US property/casualty market, and explores that scenario's implications.

"In that scenario, technology is widely deployed that radically reduces the frequency and severity of motor vehicle accidents. Consequently, the need for automobile insurance is substantially reduced — and insurers see a large reduction in their revenue as automobile insurance premiums drop."

Private passenger and commercial auto premiums accounted for 39 percent of the total premium for U.S. property/casualty insurers in 2011, according to the report.

In the scenario proposed by Celent — and the authors make it clear that it is only a scenario that could or could not happen — the auto insurance portion of total P/C premium over the next decade would drop from 39 percent to just 13 percent.

Techno Trends

The report examines four technological trends that are expected to have a significant impact on both the auto industry and the auto insurance industry during the next 10 years: [telematics](#); [collision avoidance](#); automated traffic law enforcement; and, to a lesser extent, robot cars.

Three of those technologies — telematics, collision avoidance and automated traffic law enforcement — are available, though not necessarily widely used, today.

The report describes telematics as the "creation and use of data regarding [driving behavior](#) that is stored in an onboard device and made available to insurance companies and other entities." Collision avoidance technologies include "a broad set of capabilities built into vehicles that warn the driver of dangerous situations and in some cases take active control of the vehicle to avoid a collision." Among the law enforcement technologies currently in use to varying degrees are [red-light cameras](#)

(Continued on page 11)

(Continued from page 10)

and speeding violation cameras that take photographs of driver infractions and are able to produce and send a violation ticket to the vehicle's registered owner.

While robot cars are in the prototype stage — [Google's driverless car](#) may be the most well-known example — they are vehicles “equipped with [their] own sensing devices, processors, data sets (e.g., Google Street View), and control systems.” The technologies allow the robot car to operate autonomously “in actual street and traffic conditions,” the report says.

In the Celent scenario, if all of these technologies are utilized to their fullest extent:

- The insurance industry would see a decline in auto liability premium from 25 percent of the 2012 total to 20 percent of total 2012 industry premium over the first five years. Auto liability would then drop by another 10 percent of 2012 industry premium over the next following five years.
- Auto physical damage would drop from 14 percent of total 2012 industry premium to 10 percent by the end of the first five years and then to 3 percent in the second half of the decade.
- Between 2013 and 2017, total P/C industry premiums would drop by 9 percent and by 26 percent from 2018 to 2022.
- The four functional units of auto insurers that would see the greatest impact are: marketing, sales and distribution, policy service and claims.

A scenario of reduced auto collisions resulting in a decrease in auto premiums over the next decade, while not assured, is plausible because the impacting technologies already exist.

Whether or not such a scenario plays out depends on political and economic decisions, according to the report.

Technologies such as telematics, collision avoidance and, to some extent, robot cars are market-driven. If auto manufacturers believe consumers are willing to pay for such upgrades then the technologies will likely be improved upon and deployed.

In the political realm, federal and local governments will have to decide whether to mandate and deploy law enforcement “technologies given their very significant impact on how citizens and voters use motor vehicles,” the report concludes.

By Stephanie K. Jones | May 8, 2012
Article from www.insurancejournal.com

ABAC OFFICERS 2012

PRESIDENT
TONY FERRAILO
A&R BODY SPECIALTY - WALLINGFORD

VICE PRESIDENT
WILLIAM ROMANIELLO
ALL PRO COLLISION - PLANTSVILLE

SECRETARY
MARK WILKOWSKI
STANLEY'S AUTO BODY - WATERBURY

TREASURER
MIKE WILKOWSKI
STANLEY'S AUTO BODY - WATERBURY

IMMEDIATE PAST PRESIDENT
BOB SKRIP
SKRIP'S AUTO BODY - PROSPECT

DIRECTORS
TONY CATAPANO
Walt's Auto Repair - No Branford

WILLIAM DENYA
Denya's Auto Body - Meriden

MARIO DIMICHELE
Jake's Auto Body - Waterbury

ED LUPINEK
Eddie's Auto Body - East Haddam

CAROL LUPINEK
Eddie's Auto Body - East Haddam

RONALD POIDOMANI
Town Line Body Shop - Monroe, CT

THORTON J. SCOTT (Scotty)
Family Garage - Bridgeport

JOANNE SERKEY
A&R Auto Body - Torrington

RANDY SERKEY
A&R Auto Body - Torrington

PAUL STOWE
Town & Country - North Haven

MIKE WALSH
T&J Auto Body - East Hartford

The goal of the ABAC News is to provide a forum for the free expression of ideas. The opinions and ideas appearing in this publication are not necessarily representations of the ABAC and should not be construed as legal advice.



The Auto Body Association of Connecticut would like to thank the following NEW Supporting Advertiser for their financial contributions to the ABAC News

We encourage all shops and business owners to continue to support those who support you!

AUTO BODY SUPPLIES/PAINT

PAUL FRANCIS & CO.

NEW HAVEN, CT

203-468-8126 Direct

203-469-5165 Fax

Paul F. Modica

ABAC 2012 Corporate Sponsors

Platinum Level

BMW of Bridgeport
BMW

Buckley & Wynne Attorneys at Law

Gold Level

Albert Kemperle, Inc.
Auto Paint, Body & Equipment

Bald Hill Motor Group
Chrysler - Dodge - Jeep - Kia

Balise Motor Group
Chevrolet - Ford - Honda - Hyundai - Lexus - Mazda
Nissan - Saturn - Subaru - Toyota - Volkswagen

Enterprise

Managed Air Systems

Richard Chevrolet
Chevrolet - Saturn