

ABAC NEWS

OCTOBER 2006

Visit Us Online At
www.abaconn.com

The Official Newsletter of the Auto Body Association of Connecticut

AUTO BODY SHOPS PRAISE ATTORNEY GENERAL; SHARPLY CRITICIZE INSURANCE DEPARTMENT

MISLEADING TV AD BRINGS ACTION BY BLUMENTHAL, NOTHING FROM INSURANCE DEPT.

HARTFORD, Sept. 13, 2006 – The Auto Body Association of Connecticut today praised state Attorney General Richard Blumenthal for forcing insurance giant GEICO to halt false and misleading television advertisements.

At the same time, the Association questioned why the state Insurance Department has done nothing to halt the ads and has been so lax in enforcing laws that protect consumers.

“The Insurance Department is supposed to be the watchdog for consumers,” said Thomas Bivona, president of the Auto Body Association of Connecticut and owner of My Way Auto Body, a Greenwich and Stamford body shop. “Unfortunately, the Insurance Department seems like it is more in the business of protecting the insurance companies.”

“If not for Attorney General Blumenthal, I believe GEICO would still be allowed to air its misleading advertisement,” Bivona said. “Where is the state Insurance Department? What will it take to get that department to enforce laws on steering?”

(Continued on page 2)

Also In This Issue!

May Meeting Provides Information & Fun	Page 3
Industry News	Page 4
Rhode Island News	Page 5
Collision Shops Closing Raises Concerns	Page 6
Revolution of Education	Page 7
Opinions of State Farm's New DRP Pilot	Page 8
Sponsor Thank You	Page 9



(Continued from page 1)

A 30-second advertisement appearing on Connecticut television stations features the actress Charo. As Charo speaks excitedly in her trademark combination of Spanish and English, a man the announcer says is a “real GEICO customer and not a paid celebrity” speaks about his car accident: “I love my car like my own wife. When I wrecked it I was devastated. GEICO repaired it within a few days, like new.”

That statement is false and misleading. Neither GEICO nor any other automobile insurance company – is licensed to repair cars. GEICO can pay for repairs under the insurer’s contract but it is illegal for any auto insurance company to do any repairs. The ad suggests otherwise and implies that consumers are better off having their vehicles repaired at GEICO’s “preferred” repair shops.

Steering is the illegal practice whereby an insurance company influences a consumer to use a repair shop preferred by the insurance company.

“GEICO and every other auto insurance company is in business to indemnify car owners against costs associated with accidents,” Bivona said. “Insurance companies have an inherent conflict of interest so they are not and should not be in the business of repairing cars. It is wrong for them to suggest that they are in the repair business. There are many legal implications to this – it’s not just semantics.”

Consumers contract with repair shops for work on their cars, not with insurance companies – regardless of who pays the bill. Because insurance companies are not responsible for the quality of the work, they sometimes require “preferred” shops to fix cars with inferior parts.

Bivona said that the 150 individual member companies of the Auto Body Association of Connecticut have filed dozens of complaints with the Connecticut Insurance Department regarding steering but the response has been inadequate.

“The Insurance Department seems more interested in protecting insurance companies than consumers,” Bivona said. “We urge consumers to contact us if they have been improperly influenced to go to an insurance company’s preferred shop rather than the shop of their choice,” he said. “We are happy to assist consumers in filing formal complaints with the Insurance Department. With enough complaints, perhaps the department will finally recognize its responsibility.”

“For too many years, we watched the Insurance Department seemingly bend over backwards to accommodate insurance companies but have yet to see it adequately respond to consumers.” Bivona added. “The GEICO advertisement is an opportunity for the Insurance Department to take a strong stand for the consumer by halting all of the subtle ways insurance companies try to steer consumers to their favored repair shops.”

“Our organization has continually complained to the state Insurance Department about GEICO steering, particularly the firm’s practice of directing consumers to appraisers based in GEICO’s ‘preferred’ repair shops,” Bivona added. “Clearly, we believe it’s an attempt to get consumers to forget they have the right to go to the repair shops of their choice.”

The Auto Body Association of Connecticut offers additional information on steering at its web site: www.abaconn.org.

FRIDAY, SEPTEMBER 15, 2006

ATTORNEY GENERAL ANNOUNCES GEICO HAS PULLED MISLEADING COMMERCIAL

Attorney General Richard Blumenthal today announced that GEICO insurance company has said it will no longer run a false and misleading television advertisement in Connecticut that claims the company repairs cars in a few days or less.

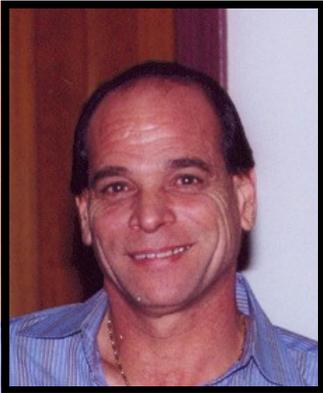
GEICO's move came after Blumenthal called on the company earlier this week to immediately cease running the ad in which actress Charo appears with a GEICO consumer who claims that GEICO "repaired (his car) within a few days, like new."

Blumenthal said the commercials may give consumers the false impression that GEICO actually repairs cars directly. Under state law, GEICO is not permitted to repair motor vehicles without obtaining a motor vehicle repair license. The company is also prohibited from steering or requiring that consumers use preferred auto repair shops.

Leaders of the Auto Body Association of Connecticut alerted Blumenthal of the misleading advertisement – and claim that the ad is symptomatic of a larger problem in the industry where insurers allegedly steer business to "preferred" auto repairers.

Blumenthal has renewed his call on the Insurance Department to take action to investigate and enforce violations of state insurance law prohibiting insurers from steering consumers to preferred repair shops.

"Ditching this disingenuous ad is a victory for consumers – and a better business practice for GEICO," Blumenthal said. "This incident should send a message that higher standards in insurance industry dealings are appropriate and necessary. I am delighted and thankful that GEICO has done the right thing – a sign that it will be an ally, rather than an adversary, in improving industry practices. We will continue to monitor and investigate such practices, and welcome involvement by consumers, as well as whistleblowers from the industry, and professions like the Auto Body Repair Association."



A Message from ABAC President Tom Bivona

Attention All ABAC Members:

Recently, USAA Insurance filed a complaint with the State of Connecticut Department of Motor Vehicles against an ABAC member shop stating that the shop ***overcharged for towing and storage*** of a client's vehicle that they were responsible to pay. After reviewing documents supplied by both the insurance company and the body shop, the following was found. The vehicle in question was towed by a licensed towing sub contractor for the body shop, as the customer requested the shop to estimate damage. On inspecting the body shop location, the Connecticut DMV inspector found ***plainly posted in the shop office the storage rates to include estimate fees***. The inspector stated since the repairer is not a licensed towing business and the rates are posted and this was not a nonconsensual tow, ***the shop can use rates posted and can obtain a profit for the tow billing!*** The DMV storage rate table obtained by USAA is based for licensed towing business and nonconsensual tows only, which means that the ***shop's own posted storage rates were valid in this case***. As the customer placed his vehicle in control of the body shop, as such there was ***no violation of Connecticut's Motor Vehicle Laws present***. The case was closed and letters were sent to all parties.

ANY QUESTIONS? Do yourself a favor. Keep this memo for reference in case you have a problem with an insurance company that does not understand both DMV laws and your right to make a profit!

Sincerely,

Tommy Bivona

Tommy Bivona
President



ABAC EDUCATIONAL SEMINARS DRAW HUGE TURNOUT!

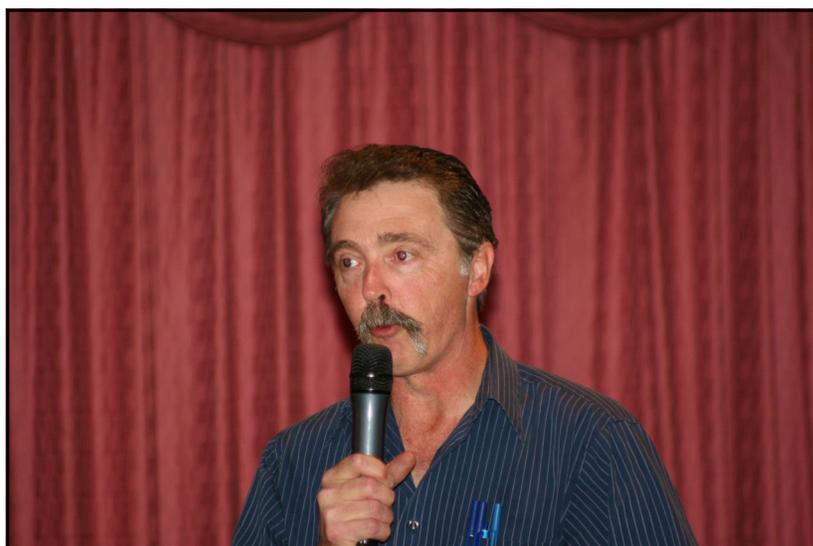
Proof & results. These two words define the effectiveness that the Auto Body Association of Connecticut has had in their efforts to educate members. Is it worth it to be a member of the ABAC? Read on...

For quite some time ABAC leaders have stressed the importance of getting involved, getting educated and using the correct processes in your collision shop repair operation. Knowing your cost of doing business, posting the proper labor rate in your shop, documenting repairs and tracking your negotiations with insurance appraisers are some of the things you should be practicing as a business person. Even video recording has been used. All of these processes and many more factors into what members



ABAC members fill the seats at one of the Educational Seminars held in Hartford and New Haven

have done to become better business people and, as an end result, be more profitable!



Master of Ceremonies Dave Fogarty

The ABAC has just finished up two very successful blockbuster educational seminars in September with another slated in October. The first seminar was held at the Country House Restaurant in New Haven and the second at the Chowder Pot Restaurant in Hartford. Each seminar was attended by over 100 people and everyone left armed with critical information to assist them in their business. Details of each seminar will not be discussed in this article but if you are truly

interested in helping your business be more profitable then just make plans to attend one of the upcoming seminars.

(Continued on page 6)

(Continued from page 5)



Attorney David Slossberg

At the first seminar Master of Ceremonies Dave Fogarty of the Lorensen Auto Group welcomed all in attendance. Fogarty then introduced Attorney David Slossberg who is representing the ABAC in their suit against Hartford Insurance accusing the Hartford of illegal steering. Slossberg addressed the crowd and let everyone know that the pending suit against the Hartford has been Class Certified. Depositions have been taken by several ABAC members with very favorable results. A tentative trial date has been set for the end of February 2007. Attorney Alan Neigher then addressed the crowd and fielded many questions. Michael London of Michael London & Associates, the ABAC's public relations firm, announced that a press conference with Attorney General Richard Blumenthal would be held on Wednesday September 13, 2006 at Denya's Auto Body concerning the legitimacy of Geico's television commercial. (Read the articles on Pages 1 through 3 in this newsletter.)

Fogarty then acknowledged the sponsors of this seminar. The ABAC would like to thank Hertz HLE and Akzo-Nobel Coatings Sikkens for their financial support to help make the New Haven seminar a success.

New ABAC News Supporting Advertisers were then recognized by Fogarty: Grossman Chevrolet – Nissan and Discount Auto Paint & Supplies. After the sponsors' recognition Fogarty then commenced the seminar.

At the second seminar in Hartford, MC Dave Fogarty once again addressed those in attendance recapping what went on at the previous seminar in New Haven and briefly touched upon the Attorney General's press conference. (The press conference would be discussed in detail later on in the evening.)

Dave then introduced Don Cushing, wholesale parts marketing manager for Bald Hill Dodge Chrysler in Warwick, RI. Don's company was the exclusive sponsor of the ABAC event for the evening. Cushing thanked the ABAC for the opportunity to sponsor the seminar, thanked everyone for their supporting Bald Hill Dodge Chrysler and then covered some exciting parts programs that Bald Hill has to offer collision repair shops. Bald Hill Dodge Chrysler certainly came prepared to help attendees enjoy the evening as they gave away an assortment of gifts including 30 "grab bags", Mopar wall clocks, Mopar winter jackets, a "Pizza For Your Shop" gift certificate and the Grand Prize, a gift certificate



Attorney Alan Neigher

(Continued on page 7)

(Continued from page 6)



**Michael London of
Michael London & Associates**

for Foxwoods Casino! Congratulations to all those who went home with a prize. So as not to interrupt the flow of the seminar, Cushing would call out winning ticket numbers in between guest speakers and presenters. The ABAC would like to thank Bald Hill Dodge Chrysler for their financial support in this event.

Fogarty then introduced President Tom Bivona who gave a quick history of the path leading up to the Attorney General's involvement with the ABAC. Bivona also thanked Dave Fogarty for organizing all three seminars. He then thanked a long list of people that have been involved with the ABAC who have sacrificed their time to attend meetings and have been ready to assist at any given moment to confer on strategy. These people are the ones behind the scenes that have helped make the ABAC strong. And the ABAC is still looking for more people to get involved. The ABAC has helped to make YOUR industry better. Join the ABAC, speak up, get involved and help take your association to another level!

Fogarty then introduced Michael London of Michael London and Associates who addressed members. London told us of the job that he's been hired to do: get the word out! And he has done a great job. London touched on the lawsuit against the Hartford accusing the Hartford of illegal steering. He reminded everyone of all the law firms involved and that they have accumulated in excess of one million documents! Lawyers remain cautious but optimistic. London then covered the Geico insurance ad and the Attorney General's involvement. He played a DVD for all attendees to watch with Attorney General Richard Blumenthal's press conference along with three TV spots by local news stations on the coverage.

These important breakthroughs are the direct result of the hard work and dedication by the ABAC and those involved with the ABAC. It's no longer viable to ask, "What has the ABAC done for me?" Rather, it's time to look in the mirror and tell yourself that it's time to join the ABAC and become one of the many solutions in helping to strengthen your industry.

ABAC Loses One of its Best.

We are deeply saddened to learn of the passing of former ABAC President Francis E. Lynch, who passed away on July 8th, 2006. Lynch was 74 years old. Franny was beloved and respected by all who knew him.

His accomplishments to our industry during his active years are too countless to mention. He served as president of the Greater New Haven Auto Body Association for multiple terms. He also served as president of the Auto Body Association of Connecticut for five consecutive terms. According to long time friends and fellow shop owners Mr. Vin Dilauro (Columbus Auto Body) and Mr. Michael Wilkowski (Stanley's Auto Body), Franny was a tremendous industry leader with a foresight of our needs and changes that were necessary. He worked tirelessly with ABAC officers during his terms, always exemplifying class and a vision for the future.

As Vin Dilauro put it best, "Franny was the Prince of our Auto Body Industry." Lynch also was very instrumental in setting up one of the first auto body education training programs with officials of the Auto Body Association of America. This was quite a feat. After retirement, Franny was proud to attend the ABAC annual meetings held each May as an invited guest and past president. There was always a smile and a warm greeting from him when ever he met you at these functions. This was his personality, warm, friendly, and sincere. A true friend to all!

We extend our deepest sympathies to his wife Louise and their entire family.

TIDBITS FROM THE AUTO INDUSTRY

Kerkorian will push for independent study of GM alliance

General Motors shareholder Kirk Kerkorian, frustrated with CEO Rick Wagoner's lack of enthusiasm for an alliance with Nissan-Renault, will ask the board of directors to hire an independent committee to study the deal, says a source familiar with the situation.

Delphi cuts monthly losses

Delphi Corp. narrowed its loss in August compared with July when excluding special charges for the cost of the company's early retirement and buyout program

Metaldyne layoffs expected Monday

Metaldyne Corp. is expected to begin the first of two rounds of layoffs on Monday at the parts-making plant it acquired three years ago from Chrysler group. The 87 employees to be furloughed on Monday at Metaldyne's New Castle, Ind., chassis and suspension parts plant will be followed by 70 more in mid-November, company spokeswoman Marge Sorge said today.

Laymon resigns from non-Ford boards

Ford Motor Co.'s human resources chief is resigning from his non-Ford corporate boards to concentrate on the automaker's restructuring efforts and prepare for 2007 contract negotiations with the UAW.

Toyota to add \$300 to Camry Hybrid sticker

Toyota Motor Sales U.S.A. Inc. plans to add \$300 to the price of its brisk-selling 2007 Camry Hybrid, a model that went on sale in April. The move will boost the sticker to \$26,820, including shipping. The hybrid, which had been forecast to sell about 4,000 units a month, sold 4,922 in August

Alfa Romeo chief: Automaker needs more legs to stand on

PARIS (Reuters) -- The way Antonio Baravalle sees it, Alfa Romeo needs more than two legs to stand on. The man in charge of reviving the struggling sports car maker says it will need more than two top-selling models if it is to meet a target of nearly doubling unit sales by 2010.

Car to driver: Please replace my fuel pump

PARIS (Reuters) -- Imagine your car warning you of an icy road ahead, reading aloud the text messages arriving on your phone and sending you an e-mail that your fuel pump needs replacing soon. This is the vision driving automotive telematics

Asian carmakers shift up for fatter Europe margins

PARIS (Reuters) -- Asian carmakers aim to churn out higher profits in Europe by moving up-market now that they have established a solid foothold in the region, while their local rivals struggle with excess inventories and restructuring costs

Gasoline prices fall, but crude oil rises

Gasoline prices are still falling, but at a slower rate, and the price of a barrel of crude oil is climbing again. The national average price for regular unleaded gasoline today is \$2.33 a gallon, down 4 cents from Tuesday, Sept. 26. But the rate of decline slowed this week

Timken to cut 700 jobs; lowers profit outlook

CHICAGO (Reuters) -- Timken Co. on Friday said it would cut about 700 jobs, or 5 percent of its automotive group employment, and significantly lowered its earnings outlook citing a decline in North American auto industry production, sending shares down 11 percent

Ghosn's three-headed giant doesn't scare carmakers

PARIS (Reuters) -- Prospects that Carlos Ghosn could link his Renault/Nissan alliance with a major U.S. partner to form a car making juggernaut failed to strike fear into the hearts of rival automakers at the Paris car show this week. Whether or not they actually believed a three-way tie-up would change the face of the industry, they put on a brave face about the possible fallout.

VW agrees with union on key restructuring points

HANOVER, Germany (Reuters) -- Volkswagen and trade union IG Metall agreed today on key points of a restructuring plan that lengthens the work week at six German plants and provides job security beyond 2011. The outlines of the deal also call for building the next generation of VW's flagship Golf hatchback at its main Wolfsburg plant

Notices & Bulletins

We would like to give sincere thanks and welcome to the following vendors who have joined the ABAC News Supporting Advertisers' Directory. They are:

- **Grossman Chevrolet/Grossman Nissan - Old Saybrook, CT**
- **Tasca Ford - Lincoln - Mercury - Cranston, RI**
- **Tasca Mazda - Cranston, RI**
- **Tasca Volvo - Seekonk, MA**
- **Wurth U.S.A. - All Locations**
- **Discount Auto Paint & Supplies - New Haven, CT**

Congratulations and welcome to JR's Auto Body for joining the ABAC membership.

Attention all vendors and collision repair owners

Come and support the Auto Body Association of Connecticut by becoming a supporting advertiser in this newsletter.

The **ABAC News** is bi-monthly publication mailed to the collision repair shops in all of Connecticut. **This is an effective and affordable way to increase your business.** For detailed information, please contact **Dave Fogarty (860.227.0653)** or **Don Cushing (401.578.0536)**.

- **The time is now to join one of the most powerful Auto Body associations in the country. In unity and communication, there is strength. In knowledge, there is power. For less than the price of a cup of coffee per day, you can invest and create success for your business. To join, please contact executive secretary Denise Banta (860.848.0534).**

CONSUMER ALERT!!!

Beware of any insurance company employees who require or influence you to bring your damaged vehicle to a specific repair shop for an appraisal.

This is a direct violation of Connecticut Anti-Steering Law that protects you, the consumer.

The law specifically states that no insurance appraiser, adjuster or employee shall require that appraisals shall or shall not be made at a specific repair facility.

**Protect your rights as a consumer!
Choose the collision repair facility of your choice,
not the choice of an insurance company.**



*Sincere thanks to the following sponsors of our
New Haven Education Seminar*



HERTZ CAR RENTAL



**AKZO NOBEL COATINGS
SIKKENS**

*And the exclusive sponsor of our
Hartford Education Seminar*



*Their generous financial support
helped make both events a
big success!*

ABAC OFFICERS 2006

PRESIDENT

TOM BIVONA
MY WAY OF GREENWICH
(203) 769-4492 FAX (203) 769-4430

FIRST VICE PRESIDENT

MIKE WALSH
T&J AUTO BODY, EAST HARTFORD
(860)-528-9337 FAX (860)-289-6655

TREASURER

BOB SKRIP
SKRIP'S AUTO BODY, PROSPECT
203-758-6605 FAX 203-758-0345

SECRETARY

MARK WILKOWSKI
STANLEY'S AUTO BODY, WATERBURY
(203) 756-1562 FAX (203) 596-8019

IMMEDIATE PAST PRESIDENT

KARL MAUHS
HAMDEN AUTO BODY, HAMDEN
(203) 248-6116 FAX (203) 248-0492

EXECUTIVE ASSISTANT

DENISE BANTA
FAX (860) 848-0534

DIRECTORS

TONY CATAPANO
WILLIAM DENYA
TONY FERRAILO
ED LUPINEK
CHIP PLATZ
RONALD POIDOMANI
WILLIAM ROMANIELLO
RICK RONDEAU
RANDY & JOANNE SERKEY
JOHN SHORTELL
TOM VICINO
LENNY VOLPE
JIM VOISINE
MICHAEL WILKOWSKI

Walt's Auto Repair
Denya's Auto Body
A&R Body Specialty
Eddie's Auto Body
Artie's A/B of Fairfield Cty
Town Line Body Shop
Richard Chevrolet
P&B Auto Body
A&R Auto Body
Secor Collision Center
Superior Auto Body
Barcello's Auto Body
Jim's Auto Body
Stanley's Auto Body

N. Branford 203-484-7373
Meriden 203-237-6068
Wallingford 203-269-2842
East Haddam 860-873-9044
Fairfield 203-254-7208
Monroe 203-268-5307
Cheshire 203-272-7241
Bristol 860-584-8115
Torrington 860-482-7389
New London 860-442-3232
Westbrook 860-399-9999
Stamford 203-327-5047
Southington 860-747-6005
Waterbury 203-756-1562

LEGAL COUNSEL

BRUCE MORRIS 860-747-5549 Fax 860-747-5540
ALAN NEIGHER 203-259-0599 Fax 203-255-2570
DAVE SLOSSBERG 203-877-8000 Fax 203-878-9800

**CT OFFICE OF
ATTORNEY GENERAL
RICHARD BLUMENTHAL
860-808-5318
Fax 860-808-5387**

ABAC NEWS

DAVE FOGARTY
DON CUSHING

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.

