

ABAC NEWS

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The Official Newsletter of the Auto Body Association of Connecticut



Tony Ferraiolo
A&R Body Specialty - ABAC President

Education and Training is back

It's great to see so many shops pursuing education and training on: aluminum repair, structural materials, hybrid vehicles, refinishing, blueprint analysis, and learning how to document your work better, including final invoices.

You may have noticed I didn't mention writing better estimates. Let me tell you why. On October 14th, the ABAC held a seminar in Norwalk titled: *Tired of Shrinking Profits*. The meeting was very well attended and topics discussed included:

- Customer Retention
- The Importance of Proper Repair Forms and Authorizations
- Towing and Storage
- Total Loss
- Getting Paid your Labor Rate

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- Aftermarket vs. OEM Parts
- Paint and Materials
- Handling Desk Reviews

These are the topics our industry is focused on and interested in learning more about. During the meeting, we discussed the difference between an Estimate and a Final Invoice. Insurance companies and appraisers make “estimates”, or guesses, as to what the cost of repairs will likely be. We as repairers report what it actually costs to repair the vehicle. Appraisers have 2 jobs when examining a vehicle. First, they have to verify a loss for the insurance company. Second, they have to help the insurer determine how much money to put in reserves for the loss. That’s pretty much it. All this business of appraisers attempting to dictate decisions on repairs or parts is outside of the scope of their job duties. We spotlight this misconception and others through educational seminars like the one in Norwalk on the 14th.

Let me stay on the “estimate” vs. “final invoice” issue for a moment longer. Again, the estimate is a guess as to the cost of the repairs. Only you as the licensed repairer can produce a final invoice. Only you as the licensed repairer assume the liability for your repair. That being said, you as the repairer have a duty to make sure the final invoice is accurate.

The “estimate” vs “final invoice” discussion at Norwalk was but one topic in an evening filled with great information. If you weren’t there, you missed a gem of a meeting. Educating shop owners on efficiencies and better practices is just as important as technician training. And, we all need ongoing training, no matter how many years you’ve been in the business. Our customers also need to be educated on the repair process.

I know it’s easy to fall back on routine, to get comfortable in habit. But, we need to keep our minds open to new ways of doing business. The world is changing and we need to change too. The ABAC has made a mission of educating its members. We want to get you the education and training you need to make informed decisions in your shops. Then, it’s up to you to decide what works in your shop and what doesn’t.

The ABAC’s next meeting will be held on Tuesday, November 18th at the Chowder Pot in Hartford, and will feature Ron Peretta from PPG. Ron will be discussing Blueprint Analysis, and how blueprinting should be the first thing done to properly repair a vehicle. Don’t miss this important event.

The Monday Motivator has been dedicated to P Page Logic to remind us of simple operations our technicians are doing, but might not know if they were included or not in the operations.

The ABAC has a dedicated board of directors who will help any member if they can. Please contact us with questions or concerns. Our website (abacomm.com) is loaded with useful information for you and your customers. Get your customer involved in the repair of their vehicle. Arm them with the information to make an informed decision on the repair of their vehicle. Get the Training and Education needed to be successful in your business.

Tony Ferraiolo

ABAC President

Sponsors & Guest Speakers Make Time for Education & Support for ABAC!

The Auto Body Association of Connecticut would like to thank the following people for their financial support and their time for the October Meeting held in Norwalk:

Event Sponsors:

Lorensen Auto Group

Dave Fogarty - Wholesale Parts Director

BMW of Bridgeport

John Musco - Parts Director

Enterprise Rent-A-Car

Kevin Linskey - Representative

Paul Francis & Co.

Paul Modica - President

Guest Speakers & Topics Discussed:

Guest Emcee

- Dave Fogarty - Lorensen Auto Group

Customer Retention

- Bob Amendola - Auto Works of Westville
- Bill Denya - Denya's Auto Body - Meriden

The Importance of Proper Repair Forms & Authorizations

Towing & Storage

Getting Paid Your Labor Rate

- Attorney John Parese - Buckley & Wynne

Total Loss

- Bill Denya - Denya's Auto Body - Meriden

Aftermarket vs. OEM Parts

- Ed & Carol Lupinek - Eddie's Auto Body - East Haddam

Paint & Materials

- Tony Ferraiolo - A&R Body Specialty - Wallingford
- Ron Poidmani - Townline Body Shop - Monroe

Handling Desk Reviews

- Joanne Serkey - A&R Auto Body - Torrington



ABAC Begins Fall Season with Prime Time Education

The Auto Body Association of Connecticut (ABAC) kicked off their fall season with a Quarterly Membership meeting September 9th held at the Country House Restaurant in Foxon. The facility was packed as members, prospective members and their guests attended hungry for education and training.

ABAC President Tony Ferraiolo covered the agenda for the evening and thanked the Sponsors of the night's meeting as well as the Supporting Advertisers for the ABAC News and the Yearly Corporate Sponsors. The Sponsors for the evening were:



Primary Sponsor:

- **Richard Chevrolet – Cheshire – www.RichardChevy.com**
 - *Ron Vernick – Parts Manager*
 - *Greg Yorkshaitis – Parts Sales*

Co-Sponsors

- **Enterprise Rent-a-Car (ERAC)**
 - *Kevin Linsky – Representative*
- **Paint World**
 - *Brian Gallagher – Director*
- **Zephirblue LLC – ZB Negotiations**
 - *John A. Walczuk – Director*

Moving forward with the evening's presentations, **Kevin Linsky from Enterprise Rent a Car (ERAC)** covered the ARMS[®] program from his company. The ARMS Program is a website that allows collision repair centers to electronically communicate with the Enterprise rental branch. A few of the benefits to the repair shop are:

- Directly sends repair status updates to Enterprise
- Allows the shop to enter information regarding vehicle status at their convenience
- Reduces/eliminates multiple phone calls and/or faxes requesting status
- Correct and consistent information is relayed to the insurance companies
- No software to incur; relies on internet access
- Training provided at no cost by Enterprise Representatives

For more information contact your local Enterprise Office

John Walczuk, Director, ZB Negotiations, gave us a brief introduction about his company. John is a negotiator of total loss vehicle settlements utilizing experience and knowledge as well as various industry experiences to obtain fair values. His company provides negotiation services to obtain fair market valuation settlements for

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total loss vehicles. This service is offered on a contingency basis only. John is authorized to act as your representative; the company negotiates on your behalf directly with your insurance carrier.

Long time industry supporter **Tony Lombardozi, President of CCRE**, then made us current with the many ongoing lawsuits throughout the country. Tony is never one to hold back and is always a welcome voice at industry events. His information was interesting to say the least!

ABAC Legal Counsel for the ABAC, John Parese, then brought us information on a variety of subjects and issues; video/photo estimating, safety concerns, underpayments, violation of insurance laws, and much more.



Our main presenters for the evening were representatives from General Motors. **This presentation was made possible by Richard Chevrolet through the efforts of Ron Vernick, Parts Manager.**

Representing GM:

- **Jeff Shaw – GM Wholesale Specialist**
- **Tom Seagrave – Wholesale Specialist**
- **Patricia Lukes – DM Wholesale Parts**
- **Jim Mickle – GM Parts Trainer**



Everyone was given a CD containing information from the presentation as well as added info to help you, the collision repair shop; www.crashrepairinfo.com, GM Patent Body Parts, Position Statements, etc. Jeff Shaw covered many of the current GM Programs such as Bump the Competition, CollisionLink, and the new Body Part Patent. Jeff then turned the floor over to Jim Mickle, GM Parts Trainer who covered plenty of information on many collision related repairs. The subjects covered were too many to list here but you can contact **Ron Vernick at Richard Chevrolet** to see if the CD's are still available.

The ABAC would like to thank everyone for taking time to attend our meeting and as always, hope that the education you receive will ultimately help you moving forward in your business.

To join the Auto Body Association of Connecticut, please contact any one of the Officers or Board of Directors listed on the back page of the ABAC News.

Submitted by Don Cushing



Theft of Service



Thinking about stealing a car anytime soon? How about stealing your own car after it's been legally stored at a licensed tow or repair facility? Many consumers are unaware that taking his or her own vehicle from a tow or repair facility without paying the lawful charges is Larceny, or more specifically, "theft of service."

The Connecticut Statute provides that "[a] person is guilty of theft of services when: ... (ii) with intent to obtain the use of . . . a motor vehicle, without payment of the lawful charge therefor, or to avoid payment of the lawful charge for such use which has been permitted him, he obtains such use or avoids such payment therefor by means of any false or fraudulent representation, fraudulent concealment, false pretense or personation, trick, artifice or device . . ." General Statutes § 53a-119.

Though I doubt this comes as a surprise to any of you, not all of your customers have the best intentions. Dare I say, some of them are downright merciless. If and when you find yourself confronted with one of these yahoos looking to avoid paying your rightful storage or repair charges by stealing their own vehicle back, remember that you have legal rights against such behavior. The theft of service law is a criminal statute for which the police can arrest and the State can prosecute. If that fails, you can still pursue a civil claim for money damages.

In order to protect your interests, I would suggest the following. First, if it is at all possible, have your customer sign a repair contract, authorization, or other document evidencing your customer's duties and responsibilities. I appreciate that sometimes securing a signed contract is impossible or impractical. But, having a proper contract or authorization in place almost always helps and affords you additional rights if things go bad.

Second, make sure you have your towing and storage charges conspicuously posted at your facility as required by DMV law.

Third, make sure your customer understands that he or she will be charged for storing the vehicle on your premises; then document the same.

Fourth, secure vehicles on your premises so they cannot be easily taken from your lot. And finally, I might suggest playing a few hundred hours of the video game: *Grand Theft Auto* to hone your instincts for identifying in advance our modern-day vigilantes.

Establishing procedures and forms (and playing hundreds of hours of sadistic video games) will help your business defend a variety of unavoidable problems and complications, including theft of service.

John Parese

Buckley & Wynne - Attorneys at Law

SCRS Researches Length of Repair Data

Common insurance company standards for determining estimated time for repair not consistent with actual industry averages

Prosser, Washington, May 5, 2014 -During the first quarter of 2014, the Society of Collision Repair Specialists (SCRS) focused efforts on researching, collecting and analyzing rental and estimate data to better understand how the information can predict a more accurate expectation relative to time for repair. The project was initiated due to an increase in concerns from the repair marketplace as some property & casualty carriers increased their insistence that repair facilities agree to repair time frames using unrealistic expectations, and to indemnify the carrier for rental expenses beyond those terms.

Loss-of-use or rental insurance is an optional coverage offered by many insurance carriers. The policy, sold for an additional premium, is intended to cover the cost of a rental vehicle for policyholders who have incurred a loss and are without their vehicle for a period of time either due to necessary repair or replacement. The policies often contain restrictions, such as capitation on the amount of coverage per day, or an overall cap on the total rental expenses that will be covered.

"The issue causing the concern for our members isn't in situations where the rental costs extend beyond policy limitations," shared SCRS Executive Director Aaron Schulenburg. "It is in scenarios where the costs are within the policy limits, but is the insurance company is imposing an arbitrary timeframe they believe the repairs should be completed within, and then expecting the repair facility to indemnify for the balance of the rental expenses; despite the fact that they assumed the risk for such expenses when selling the loss-of-use policy."

To research the issue SCRS reached out to estimating system information providers (IP) and rental car agencies, seeking data specific to the average length of rental and average hours per claim captured during the 4th quarter of 2013. SCRS obtained statistics produced by CCC Information Services, Inc. (CCC) and Mitchell International (Mitchell) relative to average hours per claim, and information published by Enterprise Rent-A-Car (Enterprise) and provided by The Hertz Corporation (Hertz) reflecting the average length of rental. While cross referencing each data set against the others produced a variety of results, no combination of data supported an expectation even reaching 3.0 hours per day. Results were factored by dividing average hours per claim by average length of rental.

As an example, when SCRS compared average hours per estimate data from provided by CCC against the Enterprise average length of rental, a 30 hours job could be expected, on average, to take an estimated 15 days to repair; reflecting a median multiplier of 0.5.

In the Q1 2013 Auto Physical Damage edition of its Industry Trends Report, Mitchell reported, "the median multiplier (multiply the number of labor hours per repairable estimate and you get a good approximation of rental days used) for the 49 states is 0.47 with a standard deviation of .05 indicating a fairly tight distribution." This means, per Mitchell's calculations, a repair order with 30 hours of repair labor could be estimated to take roughly 14.1 days for completion with a reasonable level of accuracy. When looking at 2013 Q4 data from Mitchell, and comparing the information against the Enterprise Rent-A-Car length of rental report, featured in the Q1 2014 Industry Trends Report, SCRS' resulting calculations actually indicated a slightly longer expectation, but the differences could be based on the inclusion of all 50 states, fluctuations in length of repair from Q1 2013 to Q4 2013 or other potential variances in the analysis.

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"We recognize the challenges associated with drawing conclusions from two disparate data sources," added Luis Alonso, SCRS Industry Issues Committee Chairman. "Our conclusions are going to have a higher standard of deviation because we are averaging averages rather than raw data, and also because the data sets may cover two different spans of information. For instance, IP estimate data is based on overall uploaded estimates which will reflect some vehicles that may not be repaired, and rental company data is based on repaired vehicles that did utilize a rental. Recognizing these factors, all the results still confirmed that none of the numbers produced anything resembling the expectations being placed on repairers by some in the insurance industry."

For insurance companies using a 6 hour per day calculation, the customer is provided with an expectation that a 30 hour job would be completed in 5 days. For other companies that use a standard of 5 hours per day to calculate preliminary length of rental, they are suggesting that a 30 hour repair would be completed in 6 days.

"The resulting calculations demonstrate the huge level of disparity between reality and expectation," added Schulenburg. "Unfortunately, these false levels of expectation add waste into the repair process by creating costly and unnecessary administration for both the repairer and the rental agency, and can almost assuredly factor in a level of frustration for the consumer that could be avoided if we used better information to set their expectation at the onset of the process. The objective should be to set an expectation that will produce a consumer experience that lives up to what was promised; unfortunately, if we use bad data to establish the metrics, we are setting ourselves up for failure from the beginning."

SCRS National Director Dusty Womble took the results of the study and applied them to a test in his own business, Roger Beasley Collision Center in Austin, Texas. Traditionally, his organization did their best to avoid committing to a time for repair until a thorough disassembly and blueprint was created; but customers were often being instructed by their carriers of an estimated time for repair as they provided preliminary rental vehicle approval. After participating in the board analysis of the collected data, they made a decision to give their consumers an estimated time for repair by dividing total labor hours by 2.0 hours per day, explaining the complexity and the challenges involved in the repair process, and the many factors that go into the repair aside from just the physical labor; all of these things which make it difficult to give an exact timeframe.

"Interestingly, the adjusted formula made a huge difference in our customer interactions," shared Womble. "Our Customer Service Index (CSI) scores shot up by about 7 percentage points, simply because the consumer perception regarding the vehicle being delivered 'on time' changed. We didn't adjust anything else in our workflow, other than the expectation we were setting up front for the anticipated completion. It's a great example of how we can directly impact the consumer experience in a positive manner if the focus becomes on educating the vehicle owner on the realities of the repair process."

For more information about SCRS, or to join as a member, visit our website at www.scrs.com.

About SCRS: Through its direct members and 43 affiliate associations, SCRS is comprised of 6,000 collision repair businesses and 58,500 specialized professionals who work with consumers and insurance companies to repair collision-damaged vehicles. Additional information about SCRS including other news releases is available at the SCRS Web site: www.scrs.com. You can e-mail SCRS at the following address: info@scrs.com.

Source: www.scrs.com

Submitted by Bill Denya

Appeals Court Grants Preliminary Injunction against Connecticut Glass Steering Law

The U.S. Court of Appeals for the Second District has overturned a lower court decision and has granted a preliminary injunction prohibiting the enforcement of Connecticut's auto glass anti-steering law.

In a decision handed down last week, the United States Court of Appeals for the Second District has granted a preliminary injunction against enforcement of the Connecticut's Public Act 13-67 that seeks to limit steering in the auto glass repair and replacement industry. The decision, in an appeal of the original denial of an injunction by the U.S. District Court for the District of Connecticut was ordered on First Amendment grounds by the appellate court on Sept 4.

Last year, [Safelite sued the Connecticut attorney general](#) and the insurance department commissioner to stop part of the new steering law from being enforced. Safelite has an issue with the section of new law, signed by the governor in June 2013 and that took effect on January 1, which states that no insurer or TPA may direct an insured to a glass repair facility that is owned by the insurer or the TPA, *unless they also provide the insured with the name of at least one additional licensed glass shop* in the area where the work can be performed.

Like steering laws in other states, the new Public Act 13-67 states that an insurance company cannot require that glass repairs "be performed in or by a specified facility." It also requires consumers to be informed of their right to choose their glass repair company and prohibits insurers and their TPAs from telling a policyholder that going outside of their network for repairs will result in delayed repairs or "a lack of guarantee for the automotive glass work."

Among the reasons cited for granting the preliminary injunction, the appeals court found that, "...PA 13-67 is more extensive than necessary. In its brief, Connecticut acknowledges a number of alternative proposals that were rejected by the State legislature. At least one of these -- prohibiting steering unless the consumer was first informed of their right to choose a glass shop -- would have served the same governmental interests, but would have been less burdensome on Safelite's speech rights than requiring Safelite to advertise the name of a direct competitor."

The appeals court also took issue with the fact that the law singled out only third-party administrators with affiliated glass shop stating, "Finally, we conclude that PA 13-67 is also underinclusive, because it only applies to third-party insurance claims administrators who also own an affiliated glass shop. It does not apply to insurance companies themselves or to claims administrators who do not own an affiliated glass shop. Accordingly, customers of those companies would not get the information about glass shops that Connecticut contends is necessary to protect consumer choice."

In July, [CollisionWeek reported on an investigation](#) by the NBC Connecticut television station that details the experience of one auto glass insured, Steven Petrauskas, in June this year who felt he was steered away from a shop he had used previously for glass work when a Safelite Solutions employee made an appointment to have his work done at Safelite Auto Glass location instead of the glass shop he requested.

Source: www.collisionweek.com

ABAC Shop of The Month



(L-R) Anthony, Vincent and Jennifer DiLauro

This issue's "ABAC Shop of The Month" features Columbus Auto Body in New Haven. Columbus Auto Body is preparing to enter their 87th year in business!

Founded in 1928 by Vincenzo DiLauro, Columbus Auto Body still stands on its original site and is now operated by the third and fourth generations of the DiLauro family: Vincent (Vin) is the President, his brother Anthony, Vice-President and Vin's daughter Jennifer who is the Towing Operations Manager.

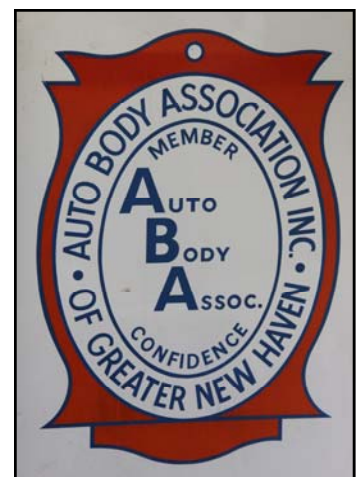


In the early 1970s, Vincent and Anthony branched out into the towing business. Collision repair is the DiLauro family's expertise, but they've also added auto detail work, front-end alignments, under-car service and exhaust work to their repertoire.

"Our proudest achievement here is having satisfied customers." Vincent DiLauro says. "The people who come here when the need arises recommend people. One thing that's stayed the same is our focus and our attention to customers. We all strive here - not just myself as president - for happy customers." *

"Education and training for employees is something we put a lot more time into and it's very much needed in order to do this," he adds. Today's equipment has changed drastically in the 35 years DiLauro has been with the business.*

"It's more challenging today, dealing with the business and change in the car-repair climate," DiLauro says. "We work for the owner of the car and not the insurance companies. We are not a direct-repair facility used by insurance companies. That's changed the industry - insurance companies have gotten more involved with the claims processing.*



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Vin was the original founder and President of the Greater New Haven Auto Body Association and his brother Ralph DiLauro designed the original logo for that association as well as a version of the current ABAC logo!

As with most businesses, customer satisfaction is heavily dependent on the people that work for you. Such is the case at Columbus. Receptionist Audette Younger is the first person that greets you when you walk in the door. She has been with the company for 27 years, and started working for Vin and Anthony right out of high school! The company has many full and part-time employees and most of those are long tenured.



Receptionist Audette Younger

We'd like to wish the DiLauro family and its employees continued success and growth in the future as people "Discover" Columbus Auto Body.

*(*Excerpts from CT Business News Journal)*

Submitted by Don Cushing

How can YOU become an ABAC Shop of the Month?

At every ABAC Membership Meeting just fill out the entry card on your table or drop your business card into the drawing basket.

We will be drawing at the end of each meeting. If selected, we will visit your shop to take photos and interview you for the article.

Attend more meetings and Increase your opportunity!

Our next membership meeting will be held on Tuesday November 18th at the Chowder Pot Restaurant in Hartford.

See flyer for more details and to make your reservations!

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