Recent Transfer of Auto Body Lawsuits to Florida Causes Concern in Industry

by Stacey Phillips, Assistant Editor

There is a growing concern in the collision repair industry about two key lawsuits recently transferred to the Middle District of Florida. Some reports have indicated that the lawsuits have been consolidated, but that’s not the case. Courts have ruled they will be included in the pretrial multidistrict litigation (MDL) filed by auto body shops against insurers in 2014.

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Top 2015 Body Shop Resolutions Suggested by 3M™

Improve Profitability, Increase Productivity, Reduce Rework and Get Ready for Advanced Materials. New Year is the Ideal Time to Implement New Solutions and Systems to Drive Your Shop Success

Many New Year’s resolutions involve your health, like getting in shape, eating healthier or reducing the stress in your life. But are you making New Year’s resolutions that improve the health of your body shop?

Changes in the tools, solutions and systems that you are using in your body shop can have a significant impact on your shop’s performance in the year ahead—from productivity to margin improvement, KPI performance and the ability to repair the advanced materials found on today’s new vehicles.

Here are the top five resolutions you might want to consider as you plan for 2015, courtesy of 3M Automotive Aftermarket, which work with thousands of body shops across the country to help improve performance and profitability.

Resolution #1 – Make more money in the paint booth!
The paint booth is frequently the leading culprit when it comes to waste in the body shop. From solvent waste, paint waste and wasted time for cleaning and systems that you are using in your body shop can have a significant impact on your shop’s performance in the year ahead—from productivity to margin improvement, KPI performance and the ability to repair the advanced materials found on today’s new vehicles.

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Collision Repair Industry Associations Make Their 2015 New Year’s Resolutions

by Chasidy Rae Sisk

For most people, New Year’s Eve is a time to reflect on the past year and make resolutions for the incoming year. Collision repair industry associations have also started preparing for next years by setting their sights on what they can do to improve the industry for their members. Several association leaders shared their New Year’s Resolutions for 2015 with Autobody News.

In 2015, Howard Batchelor, Executive Director of the Georgia Collision Industry Association (GCIA), hopes to “have a better working relationship with insurance companies. Insurers are in the business to sell policies and settle claims. They should allow the collision center that has the training and OE recommended repairer processes to repair these vehicles in a proper manner since the repairer has their name on the repair and should not be interfered with in making repair decisions.”

For the Independent Damage Appraisers Association (IADA), “our New Year’s resolution is to try and increase membership, making sure we recruit and approve only the most experienced firms with advanced technical skills. We also plan to hold repair seminars to make sure our members are properly trained to identify and appraise damages to the ever-increasing high tech vehicles. We have selected Charlotte, NC as the site...
New Year’s Resolutions

for our 2016 National Conference (June 2016), and it is our goal to make this our most successful and memo-
able conference,” Executive Vice President John Williams states.

The Auto Body Association of Connecticut (ABAC) intends to con-
tinue doing exactly what they did in 2014; President Tony Ferraiolo elab-
orates, “we will continue to educate members and consumers. We want anyone that needs education from our association to be helped. We will strive to bring the best speakers and content from around the country to our membership meetings.”

“Our resolution will be to con-
tinue our focus on member benefits and membership growth by aligning the goals of our organization with the true needs of the membership at large. Special attention will be needed with re-
gards to our new Collision members,” predicts Jason Brennan, Vice President and Chairman-Elect of ASA-IL.

John Petrarca, President of the Auto Body Association of Rhode Island (ABARI), states that the associa-
tion’s 2015 New Year’s resolution is “to successfully continue ABARI’s stated mission to protect consumers, preserve competition and professionalize our industry by promoting the high-
est standards for safety, quality and customer service. In doing so, ABARI will continue to work on many fronts. First, we will continue our decades-long fight to educate the Legislature and the public of the unfair practices that remain in the industry and to find fair, equitable solutions. Second, we are close to implementing a written ABARI Code of Ethics. The Code will require all ABARI shops to conform to the highest standards for safety, quality and environmental protection. We fully expect it to be in full force and ef-
fective in 2015. It is another step in the direction of our ultimate goal of a pro-
fessionalized industry that is compensated fairly for its important role in protecting the motoring public.”

For many, if not all, associations, increasing membership is also a major priority for 2015. The Long Island Auto Body Repairmen’s Association (LIABRA) plans to “continue to ex-
pand our membership base and offer new and exciting training seminars for our shop owners and their employees. On the legislative and regulatory fronts, we expect to continue to ad-
dress our members’ concerns and en-
sure the auto collision industry and the New York motorists have a voice on collision repair issues.”

Luz Rubio, Executive Director of ASA-AZ, also hopes to see an increase in membership next year; “I think this is an issue that is on top of every association’s list. I am very excited to in-
clude many more shop owners in our Automotive Roundtables. The few that were held in 2014 have been interac-
tive and great. These are opportunities to discuss topics, challenges and share successes with other shop owners that will help elevate the professionalism of the industry here in Arizona.”

ASA-Colorado’s Chairman, Steve Horvath of Jeno’s Automotive in Lit-
tleton CO, says, “ASA-Colorado’s New Year’s resolution for 2015 is to get the local auto body shops more in-
volved with ASA.” Executive Director Kari Foster elaborates, “in 2014, the ASA Colorado Board members met the new ASA National President with this idea in mind. Dan Risley, ASA Presi-
dent says, ‘ASA Colorado’s board of directors’ commitment to grow their membership base in 2015 parallels the movement within ASA National to re-
cruit and retain members. The strength and leadership on their board has clearly positioned them for success. We have high expectations for them and believe they will have a significant posi-
tive impact in the market.’” ASA-Colo-
orado also hopes to put together some collision educational meetings in 2015 on consolidation, estimating and the importance of networking, according to Collision President Dan Stander of Jerry Stander Collision Works in Lit-
tleton CO.

“Our resolutions for 2015 are, first, to increase the visibility of the col-
losion/repair professionals in Texas and help our members increase their busi-
bness base/profitability,” says Chuck Space, Executive Director of the Texas Independent Automotive Association (TIAA). “We also want to make the 2015 Texas Tire & Automotive EXPO larger and even more responsive to those who attend. As an association, we need to be relevant to our members and successfully achieving these resolu-
tions will help our members and make TIAA stronger.”

“ASA-Northwest’s wish list for 2015 is to get more qualified automo-
tive technicians into the automotive in-
dustry,” the association’s Executive Director Jeff Lovell explains. “We are currently working on apprenticeship programs with our ASA members and the automotive technical colleges throughout the state of Washington. We are also working with Joint Base Lewis McChord (JBLM) to transition troops from military to civilian jobs in the au-
tomotive industry. We have a shortage of qualified technician in our industry and the average age of a technician is 45-47 years old.”

Nick Notte, President of the Na-
tional Auto Body Council (NABC), be-
lieves their resolution for 2015 “would be to become more inclusive. That means finding ways to bring even more prospective members into the NABC to, unitedly, bring the good news about the Collision Repair Industry and our National Auto Body Council members to every community in this country.”

ASA-National “would resolve to add several new member benefits to our portfolio that provide significant value to the shop owner.” Executive Director Dan Risley continues by ask-
ing “why? Most shops that belong to ASA support the association because of its leadership position in the indus-
try and our efforts to drive positive change collaboratively. I believe it’s our responsibility to find ways to make it financially profitable to be a part of ASA through our member benefits. Our Sponsored benefit programs with companies such as AutoZone (parts purchasing rebates), Chryslers Tech Authority ($120 annual subscription), Federated Insurance (property & casualty), Keystone Insurance (vision & dental), Meadowbrook Insurance (workman’s compensation), and Cin-
tas are great examples of the additional value our members receive.”

Aaron Schenkelburg, Executive Director of the Society of Collision Rep Specialists (SCRS), told us “to be honest, it is more of an ongoing reso-
lution than one specifically designated for the new year, but we are internally committed that next year will bring re-
novated commitment to strengthening how we deliver upon our mission. SCRS’ purpose is to educate, inform and represent the collision repair pro-
fessional in all aspects of the industry. We’ve spent a number of years work-
ning on really strengthening our role representing our membership, creating resources that strengthen their posi-
tions and operations, and delivering a resolute voice of the collision repair industry in rooms and at microphones where the industry needed to be.
Happy New Year’s everyone! can make 2015 the best year ever! feedback and suggestions so that we make it such a pleasure to write for this industry. I also encourage your amazing ladies and gentlemen who more and get to meet more of you anything to do with it, 2015 will be an accessibility to not just the most in-resolution.”

If these industry experts have anything to do with it, 2015 will be an even better year than 2014 for the collision repair industry. And my resolution for 2015? I hope to be able to inform our membership. It is a priority for us, and we believe the industry is best served through accessibility to not just the most information, but the right information. I know that our board is all very committed and excited to deliver on our resolution.”

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On January 14th, the Society of Collision Repair Specialists (SCRS) held an open board meeting in Palm Springs, CA. The meeting was open to anyone wishing to learn more about the current state of the association’s activities and pressing industry topics. Attendees were not required to be a member of SCRS to participate.

The meeting included updates and presentations from SCRS staff and committees outlining current and future work initiatives each group has undertaken on behalf of the membership. The SCRS Education Committee presented two special presentations for audience members. The first, presented by Committee Chair Kye Yeung and Toby Chess, focused on new and innovative tools that can positively impact collision repair businesses. This was a follow-up to the January 2014 presentation on “Cool Tools for Today’s Vehicles.”

In addition, the second presentation was led by Gerry Cecil, VP Sales and Marketing—Arrowhead Specialty Markets, Arrowhead General Insurance Agency. Cecil provided a brief overview of pertinent considerations for management of risk and the annual task of insurance renewals.

The following information serves as an introduction to the topic: Business Insurance: What are the significant issues for a collision repair business and what do I need to make a more informed decision?

Most collision repair businesses are routinely involved with insurance companies. And in some cases, when a DRP is involved, the involvement is more than routine. Body shop owners should know what their options are and what is required in order to get a contract or agreement to generate revenue for their business.

Considerations
It is best to work with agents, agencies and companies that know and understand the industry. Ask fellow collision repair business owners for references.

Unique Exposures
Shops have unique exposures and the insurance companies use unique coverage forms such as Garagekeepers and Garage Liability to provide that coverage. Shop owners need to be sure they are properly protected.

All Coverage Is Not The Same
Consideration should be given for coverage under mechanics errors or omissions so that the shop is covered for damage to the vehicle while it’s in their care.

Additionally, every operation should be seeking protection or coverage for alleged acts of discrimination by not only an employee, but also customers or other businesses. Given the increased importance of group health insurance and employee benefits—errors or omissions in the administration of an employee benefits program should also be considered.

When negotiating agreements with insurance carriers to become a member of their DRP network-collision repair business owners should work with their attorney and their insurance agent to be sure they are protecting themselves while complying with the requirements of the agreement.

Guidance
For help with addressing the usual and not so usual insurance and risk management challenges of a collision repair facility, an insurance specifications** document is available to SCRS members. That document along with a Business Insurance Checklist can provide tools to make an informed decision.