

Vermont Auto Body Association
PO Box 1527
Morrisville, VT 05661

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VABA Voice

Through Knowledge Comes Power

September 2005

Volume 4, Issue 3

View From _____ The Dash

Annual meeting expected to be best ever

This spring Tom Morton and I traveled to Connecticut to attend the Conn. Auto Body Association's annual meeting. We thought that it might be helpful to see what others in another state were talking about. Although there were many different speakers, the 2 most noteworthy orators were CT Attorney General, Richard Blumenthal and consumer advocate attorney, Erica Eversman.

Eversman, attorney for Vehicle Information Systems and a practicing lawyer in Ohio, was the featured guest speaker. She spoke about NCOIL, A/M parts, DRP arrangements and other industry hot button topics. Upon hearing her impressive speech, both Tom and I agreed that she would make a great guest speaker at VABA's annual meeting this fall. So, I am pleased to announce that Erica has agreed to speak at the meeting, to be held on September 27, 2005 at 6:00 PM.

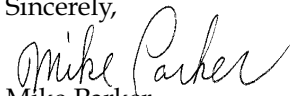
I am sure this will be our best meeting yet. Erica is very knowledgeable about the collision repair and insurance industry. This is an excellent opportunity to hear her presentation as well as ask questions of a leading legal expert in our industry. Erica has even kindly offered to stay after the presentation to answer individual questions. I expect high attendance for this meeting and seating is limited, so please, if you plan on attending, fill out the enclosed form and send it in no later than September 20.

As VABA and the industry continues to grow and flourish in this state, it is important for every shop owner and manager to learn everything that can be learned about not only fixing cars, but also other aspects of our business. We are faced with these issues every day and sometimes we take for granted that things can't be changed. What are the issues? Some of the issues are steering, product tying, insurer interference, clipping cars, aftermarket parts, used parts, used welded parts, negotiating with adjusters, contract interference and much, much more.

Ms. Eversman will not only speak on many of these subjects but she can answer any one of your specific questions. You may even want to invite your attorney to the meeting. Please contact me at 802-775-3777 to make arrangements.

We also plan to invite the four Vermont NCOIL Committee members. We hope they will attend so they can hear the collision side of the story. Sometimes people in this position don't really know both sides of the story. The insurance industry is making sure that their side is heard. This will be a good opportunity for them to hear an attorney's and collision repairers' side too.

Sincerely,



Mike Parker
President

Annual _____ Meeting

Save the date – September 27!

This year's VABA Annual Dinner Meeting should not be missed. So, mark your calendars now - for **September 27, 6:00 pm**, at the **Holiday Inn** on Williston Road in Burlington. Seating is limited, so please send in the enclosed reservation form and make the most of a great opportunity to gather with your colleagues and hear from some very influential industry leaders.

Following what is usually a very fulfilling, and filling, buffet dinner, Tony Lombardozi, president of the Coalition for Collision Repair Excellence (CCRE), will speak about the state of the collision industry in the Northeast. He will also provide an update of upcoming CCRE activities. VABA is fortunate to have Tony join us for this event and, for those of us who have had an opportunity to hear Tony speak in the past, we should be in for a special treat.

Our featured speaker for the evening is Erica Eversman, consumer advocate attorney. We should feel especially honored to have Ms. Eversman join us. She will speak about proposed aftermarket parts legislation and the National Conference of Insurance Legislators' (NCOIL) attempt to pass this legislation. She will also discuss insurance company

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Training

Don't miss out – register today!

The last issue of The VABA Voice discussed the October 20 seminar by Bernie Blickenstaff of Collision Management Services, Incorporated. This one-day interactive collision center workshop entitled *Estimating for Profit* is a great opportunity that you won't want to miss, but we must have a class size of 20 to finalize it. Due to the generous support of Paul Barnes, Area Sales Manager for BASF, the price of the seminar is greatly reduced for attendees.

And, now VABA will be absorbing a portion of the cost of the seminar for VABA members. VABA will pay \$150 towards the cost of the seminar for each VABA member, making the cost for this great training opportunity just \$150 per VABA member in attendance. New members will also benefit from VABA's support (see *Meeting Mechanics*, page 3, for more information).

For more information on the specifics of the seminar, contact Mike Parker at 802-775-3777. Or, place a post at www.vaba.org.

Meeting Mechanics continued from page 3

required for use when replacing a Door Skin. The handout was based on a CIC study where actual materials were tracked during the repair.

- **CCRE** - A motion was made and passed that VABA join the CCRE for another year.

- **Miscellaneous** - Survey results were discussed. A discussion occurred about paint and materials invoicing and that paint costs are sensitive by paint brand and colors used. It was suggested that all shops send a letter to the VT DOI regarding recent experiences with insurance companies who refused to pay the invoice.

The next VABA meeting will be the Annual Meeting, **September 27, 6:00 pm**, Holiday Inn in Burlington. Everyone should make their best effort to attend this meeting.

Industry

Parts and Pieces

Panel bonding in the future

The latest in panel bonding is that Mitchell International has announced that they will be adding panel bonding to its estimating database. They will be adding the panel bond procedure across the board based on research done in coordination with I-CAR and adhesive manufacturers.

The Alliance of Automotive Service Providers/New Jersey (AASP/NJ) is requesting that Mitchell and other database providers stop making changes to the database repair procedures without industry and OEM consultation and approval. According to AASP/NJ, if Mitchell, or any adhesive manufacturer, wants the collision repair industry to accept a new attachment method, the procedure should be equal to or better than the OEM method, and it should be approved by the OEM.

Currently, other than a few GM panels, no OEMs approve strictly panel bonding. We will likely be seeing some estimates using the time to panel bond panels from some of the insurers. Remember, once a shop does the procedure it accepts all the liabilities.

Negotiating with an insurer

As a shop owner, do you have the authority to negotiate a cash settlement on behalf of the vehicle owner? Think about it - the vehicle owner's policy contract with its insurer is an actual cash value policy. The vehicle owner is owed the cost to restore their vehicle to its pre-loss value, whether the owner chooses to fix it or not.

Let's keep it simple: Does it make any difference if the shop de-trims the doors? Does the insurer owe the cost to the insured for de-trimming the doors? To answer these questions, we need to answer this question: Can the vehicle be properly restored to its pre-loss condition and value per the vehicle manufacturer and the paint manufacturer's recommendations with the trim still on the doors during the refinish process? No. So the insurer owes to de-trim, again, even if the vehicle owner chooses not to have this done.

The other possibility is that the vehicle owner may trade in the vehicle without fixing it. This makes no difference, since it is the owner's money to do with as they wish.

But, suppose you get a call from an insurance representative and he tells you that the vehicle owner isn't going to fix the car so he removed all the de-trim items you had for the doors and is reducing the price paid to the owner accordingly. Do you have to agree? No. By doing so you are negotiating down the amount of money that the vehicle owner will receive from the insurer. Next time you speak to your attorney ask if this is legal.

Crack

Up

The Vermont Auto Body Association Web site, www.vaba.org, has been a great resource for all members and non-members. The Discussion Forum in particular has enabled the membership to post and discuss auto body repair issues in a virtual way. And, of course, this forum is open to anyone - and, unfortunately, we mean anyone! Haven't been there in a while? Well, VABA's wholesome, industry-specific corner of the Internet has been discovered by on-line pornographers! Now, pornographers wreck their cars too, but come on!

Meeting Mechanics

The last meeting of the Vermont Auto Body Association was held on **June 14, 2005** at the Lakeview Bar & Grille in South Burlington. The following was discussed:

- **Training** - The upcoming seminar by Bernie Blickenstaff of Collision Management Services and sponsored by BASF was discussed. It will be held on October 20 at the Holiday Inn in Rutland. The day-long class will not be database system specific. A motion was made for VABA to absorb \$150.00 towards the cost of the seminar for existing VABA members. New members who join and sign up for the seminar will be assessed a membership fee of \$500.00, which would include the cost of the seminar. The motion was approved and passed.

- **SKILLS USA contest** - Mike Parker spoke with the director of Rutland Technical Center about the recent SKILLS USA contest. The school did not participate in the contest and Mike suggested that kids in that area should have an opportunity to participate in the future.

- **Connecticut Auto Body Assoc.** - Mike Parker attended the annual meeting of the Connecticut Auto

Body Association. There were many speakers, including a representative from the Department of Transportation, the Connecticut Attorney General and guest speaker, attorney Erica Everson. The attendees also heard from a Wreck Check shop about a Toyota Truck that was repaired in Vermont and had numerous repair problems. The truck was towed back to the DRP shop in Vermont, back to a Connecticut shop and back to the DRP over four times. At the time of the meeting the truck was sitting at a Connecticut shop yard, undercover due to shoddy repairs. Mike felt it was a very interesting and informative meeting.

- **NADA Guidelines** - Jim Snee suggested that VABA work on legislation to use the NADA guidelines to determine the value of vehicles prior to totaling. Currently there is a West Virginia law stating that NADA guidelines be used because banks and other lending institutions use it to finance vehicles and it is fair for the consumer.

- **Door skin material kit** - Mike Parker supplied a handout to everyone that listed the actual materials

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Annual Meeting continued from page 1

direct referral programs and the associated liabilities shops assume. She will host questions and welcome discussion on any and all of these topics. As usual, there will be door prizes and time to meet and greet your fellow auto repair colleagues throughout the state. The date is coming right up, so please RSVP no later than September 20 to be sure your space is reserved. See the enclosed invitation/reservation form. See you September 27!