



# Membership Newsletter

## SOCIETY OF COLLISION REPAIR SPECIALISTS

### SCRS' State and National Leaders Exchange Ideas at the Affiliate Leadership Conference

The third annual Society of Collision Repair Specialists (SCRS) "Affiliate Leadership Conference" held recently in Chicago gave the association's national board and state affiliate groups an unparalleled opportunity to exchange ideas and information.

"Representatives from more than fifteen of our state affiliate groups attended the event to hear what's being done in other states that they might be able to replicate, and to hear first-hand from SCRS' national leaders. They also provided their input on what they'd like to see the national organization focus on, either continuing or adding to those items," said SCRS Chairman Gary Wano, who co-moderated the meeting.

"Our entire national board attended this year's event because we very much wanted to hear first-hand from our state affiliate groups about their concerns and what their members are saying across the country," said SCRS Vice Chairman Barry Dorn, who assisted in moderating the meeting. "This is an important annual event because we take what we learned and use it to help set a direction for the association."

Each of the SCRS state affiliate groups represented at the meeting had an opportunity to discuss what

they are doing in terms of state legislation, member recruiting and benefits, and other activities.

"I never leave this event without at least one – and generally three, four or more – really good ideas that another group is using that we can also do here in Massachusetts," said SCRS National Director Steve Regan, who was also there at the event to represent the Massachusetts Auto Body Association.

In addition to the idea exchange, attendees also discussed some key issues in the industry to offer their input as to which they feel SCRS should address by working on both a state and national level.

"Some of these aren't issues we as a single state affiliate group can have a lot of impact on," said Ed Dahm, executive director of the Oregon Collision Repair Specialists, said. "But we can suggest things SCRS can do nationally, and by working in conjunction with the national organization and other state groups, we can help make some significant progress for the industry."

Wano said that in addition to holding the annual Affiliate Leadership Conference, SCRS plans to begin holding regularly conference calls among the affiliate group leaders. "It's all part of our belief that 'Working Together Is the Most Important Work We Do'," he said.



Ed Dahm, Executive Director of OCRS

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Attendees sharing their association's current issues.

#### Contact SCRS

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## Hendler Addresses Connecticut Collision Repair Association

"The Changing Industry – Your Role In It" was the subject at hand at the monthly Connecticut Collision Repair Specialists (CCRS) association meeting. Jeff Hendler – owner of JD Hendler Associates addressed approximately 40 members about their role in an ever-changing collision repair environment.



Attendees were challenged to consider the needs of today's consumers – and – the collision repair industry's responsibility to adapt to those needs thru best

business practices, continual education and technical training. "It's about time we take ourselves out of our own four walls and look thru the eyes of our customer – let's identify the needs – and then meet them," says Hendler. "We must challenge ourselves to be better, to become part of the solution when dealing with our insurance partners and vendors, to properly train our technicians and staff and most importantly – remember who we work for – our customer!"

Jeff Hendler, who resides in Pasco Washington, has been part of the collision repair industry for over thirty years. He is a founding member of the Collision Industry Conference, acting as Chairman in 1987-1988 and the administrative Director since 1984. Also a founding member of I-CAR, Jeff was inducted into the Hall of Eagles in 1989. He has been honored by Society of Collision Repair Specialists with a "Lifetime Achievement Award" in 2003 as well as named as one of the "Top 25 Movers and Shakers of the 20<sup>th</sup> Century" by Automotive Body Repair News.

Lisa Siembab, CCRS Executive Director said, "We are very fortunate to have someone of Jeff's caliber to speak to our members. He knows this industry, he realizes the challenges repairer's face on a daily basis and he offers solutions."

In addition to the guest speaker – CCRS Chairman, Angelo Campanella, addressed the attendees regarding crucial repair technique updates as well as reporting on industry news and events.

"This is one of the most beneficial association meetings I have attended. I have specific business objectives that I want to achieve and CCRS will help me do that," reported CCRS member Nick Freccia. "It helps to understand other repairer's challenges and know I am not alone. As an industry – we need to learn from one another and realize that our the consumer is vulnerable after an accident. We need to understand their expectations and strive to meet them." "This is what we are all about and this is who comes first – the customer."

## Society of Collision Repair Specialists MO-KAN Chapter

The SCRS MO-KAN Chapter, the first chapter of SCRS National, has had a very busy year with regular general membership meetings, fundraising events and even set a night aside to recognize and honor the achievements of area technical school students.

The SCRS MO-KAN year got started with the election of the 2008 officers. CARSTAR's Bill Garoutte assumed the helm of the organization with Jim Sommerhauser of ABC Autobody Color as his Vice-Chair. The 13 member board began their year with a retreat which included a "call to action" by one of the founding members of SCRS MO-KAN, Bill Eveland. A part of this call to action was a directive by the board to completely retool the SCRS MO-KAN website, [www.scrsmokan.com](http://www.scrsmokan.com).

Additionally, the board stepped up their activity in the Missouri and Kansas Capitols with a paid lobbyist. The major legislation pushed forward during the 2008 session was an "Anti-Steering" bill that is modeled after legislation in other parts of the country. While the bill didn't make it to the floor before the legislature wrapped up in the spring, it is expected to be near the front of the list of bills when those elected officials reconvene.

The SCRS MO-KAN general membership meetings, which were held monthly, included engaging presentations by Aaron Schulenburg of the Digital Enhancement Gateway (DEG), Colette Bruce of Team Safety, The Missouri Department of Natural Resources, John Nohe of JNA (a marketing & PR firm) and SCRS' Executive Director Dan Risley. Meeting subject matter covered topics such as collision industry legal issues, controlling pollution generated by collision repair shops, the state of the collision industry union and marketing in a tough economy.

The highlight of the monthly general membership meetings was the Education "Night of Achievement." Local technical school collision repair instructors were invited to nominate 5 of their students to be recognized for achievement at their respective schools. Prior to the evening's dinner and award ceremony, the students were taken on a tour of two KC-area state-of-the-art collision repair facilities. At the evenings' classy event, which was attended by multiple students representing multiple schools, the newest feature of the SCRS MO-KAN chapter was unveiled, the SCRS MO-KAN "Job Connection." This web-based employment database allows SCRS MO-KAN members to have secure password access to painters, body techs, and detailers throughout the Missouri and Kansas region.

In early May, the SCRS MO-KAN chapter hosted a golf tournament that raised \$2,500 for the local Cystic Fibrosis Foundation.

Finally, the chapter meetings were taken "on the road" with a well attended meeting being held in Springfield, MO. Future stops are planned for Columbia MO, Topeka and Wichita KS. For anyone interested in becoming an active member of the first chapter of SCRS National, please contact the MO-KAN Administrator, Dwayne Lewis at [lewis@scrsmokan.com](mailto:lewis@scrsmokan.com) or at 816.298.0146.

## Allstate Changes Policy on Full-Body Sectioning

*Reprinted with permission of Collision-Week (www.collisionweek.com)*

Allstate announced that the company will no longer specify full-body sectioning on its damage estimates. The change follows a similar announcement made by State Farm in August.

In the September 16 announcement, Allstate noted that there has been a lot of industry discussion about full-body sectioning of late and made the policy change after revisiting the issue with its collision repair research center, Tech-Cor. Allstate said it decided to discontinue the practice in light of changing vehicle construction techniques and materials.

Allstate said, "While viability of the full-body sectioning repair methodology on many vehicles remains sound, the varying metallic composition of some modern vehicles may prevent collision repairers from facilitating a quality repair. Allstate has considered payment for full-body sectioning in limited circumstances on a case-by-case basis, taking into account the loss characteristics, the vehicle, the repair facility's ability and desire to complete the repair, and the customer or claimant's approval of the procedure."

Allstate's new policy regarding full body sectioning is as follows: "Moving forward, Allstate will not specify full-body sectioning in our damage estimates. Furthermore, only when a collision repair facility is confident that a full-body section is the appropriate repair, has the proper training and equipment to facilitate a quality repair and

has the approval of the customer or claimant for such repair, will the adjuster authorize it. In the absence of any one of these qualifications, full-body sectioning will not be specified on an Allstate adjuster's estimate."

Tech-Cor was established in 1976 to provide insurers, manufacturers and repairers with a better understanding of auto restoration issues and damage estimating practices through research and training. Part of the Allstate Insurance Company, Tech-Cor's Applied Research Division provides research and intelligence on wide variety of reparability issues. Tech-Cor had researched full-body sectioning in the 1980's, developing procedures around the safe facilitation of this repair for then-new uni-body vehicles.

## Connecticut Legislature Passes Auto Body Repair Bill

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On the final day of the Connecticut legislative session, lawmakers passed legislation designed to ensure motorists know they have the right to choose where their vehicle will be repaired following an accident.

House Bill 5152 requires notice be provided that consumers "have the right to choose the licensed repair shop where the damage to your motor vehicle will be repaired." In addition the bill requires insurers using a direct repair program to obtain a written acknowledgement from the consumer that he or she is aware of their right to choose the

shop where the vehicle will be repaired. The acknowledgment can be included in the document that customers are required under current law to provide to repair shops authorizing the repair or can be in a separate document.

Another anti-steering measure, backed by the Auto Body Association of Connecticut and the state's attorney general was not passed. Senate Bill 288 sought to prevent insurers from "recommending, requesting or requiring" any insured to use a specific shop. The bill also contained language that would require insurers to pay "usual and customary" labor rates defined as "the labor rate that the general public commonly pays for similar repairs to similar vehicles in the same geographic area of the state." The Property Casualty Insurers Association of America (PCI) called HB 5152 a more pro-consumer approach to addressing auto body repairs than SB 288.

"Consumers should have the ability to make informed choices regarding vehicle repairs and HB 5152 supports that right," said Paul Magaril, regional manager and counsel for the PCI. "The Insurance Committee's approach enables insurance companies to continue to provide customers with direct repair options that can offer a hassle-free experience and other benefits and services. This legislation is a positive development and a vast improvement over the attorney general's bill that would have hampered customer service, limited consumer choice, increased costs and ultimately forced motorists to pay higher premiums."

## **NICB to Open Database of Total Loss VIN Numbers**

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A long time in coming, the insurance industry will begin sharing the VIN numbers of all total loss vehicles.

The National Insurance Crime Bureau (NICB) is creating a free public database of vehicles declared a total loss by insurers, according to a report today in the Los Angeles Times. A new online database will allow the public to enter vehicle identification numbers to see if they have ever been declared a total-loss.

The NICB, an anti-fraud organization funded by insurance companies, will begin the online service at the end of June according to the report.

The NICB began publishing the VINs of flood loss vehicles in 2005 following Hurricane Katrina. Then, in 2007, the group expanded its VIN disclosure program to include unrecovered stolen vehicles.

According to the Times, about 60 percent of the 1,000 insurers in the NICB have so far agreed to provide the crime bureau with their totaled VINs including State Farm, Allstate, Nationwide, Progressive, Mercury, GEICO and the Auto Club.

The report notes that, "After many years of resisting, major insurers are seeing that it is to their advantage to get consumers this information and force the salvage industry to clean up its act. There is theoretically nothing wrong with a properly repaired salvage car, but consumers need to be informed about a car's history to make intelligent decisions. What's more, federal legislation is pending that could force the industry's hand in this."

## **Progressive to Launch Car Ins Requiring Black Box Surveillance**

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Progressive announced that it will be introducing an optional car insurance program that offers lower rates on vehicles that are driven in less risky ways. The behavior-based insurance program, called MyRate, gives drivers a customized rate based on how, how much, and when their car is driven.

Drivers who sign up receive a small wireless device that plugs into their car and allows Progressive to see how, how much, and when the car is being driven.

Progressive says the impact on the rate could be anywhere from a 60 percent discount to a 9 percent surcharge. In some states, there will also be a technology expense for the cost of the device and data transmission.

"Because MyRate could lead to a higher rate for drivers in some states, we want people to know that the program is not right for everyone," said Richard Hutchinson, Progressive's MyRate general manager. "The good news is that a customer who has signed up for MyRate can review their driving data in a secure part of progressive.com, see how their habits are affecting their rate, and, if they choose, make behavioral changes that can lead to real savings."

Progressive will launch the program in Alabama in late June. A national rollout of the program will continue, pending regulatory approval, throughout 2008 and 2009.

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## **Database Enhancement Gateway Passes 500 Inquiry Milestone**

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The Database Enhancement Gateway (DEG) announced that it has surpassed one of its first major milestones by processing over 500 inquiries in just over 6 months of operation. If the volume of inquiries to the DEG remains consistent, the first two quarters indicate that the DEG will likely process over 1000 inquiries by the end of year one.

"The numbers don't lie," commented DEG Joint Operating Committee member Nick Kostakis. "Collision estimating data customers are clearly turning to the DEG as their partner for submitting their first hand concerns to the information providers. Through our strong commitment to estimating information accuracy and the valuable relationships we have built with the information providers, the DEG delivers an innovative approach to the inquiry process. We believe due to the results to date, that we have made the process of communication easier, laying the path to a greater amount of feedback from the estimating system end user."

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"All three Information Providers have done a tremendous job addressing concerns processed through the DEG and we appreciate their efforts to make this process successful" added DEG JOC Member Lou DiLisio. "We have had very positive interactions with the IPs thus far, and have continued to receive positive feedback from the end-user about their overall experiences in attaining timely resolutions to their inquiries."

The DEG is focused on continued processing of inquiries from the estimating system end user, and looks for opportunities to address real world concerns through proactive communication between the end user and the respective Information Providers. While the DEG has been met with tremendous approval from those who have utilized the online system, they continue to work on initiatives to educate the industry on the availability of this resource.

For more information about the DEG, or if you have an inquiry regarding estimating software data, please visit [www.degweb.org](http://www.degweb.org)

## Department of Transportation Plan May Eliminate 1.8 Million Crashes per Year

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(www.collisionweek.com)*

The U.S. Department of Transportation believes that the widespread use of electronic accident prevention systems in vehicles could prevent over 48 percent of rear-end, run-off-road, and lane change crashes.

The Integrated Vehicle Based Safety Systems (IVBSS) initiative has just released a report describing the progress of the government plan to accelerate the introduction of these

safety systems in new cars in order to reduce crashes by as many as 1.8 million per year.

According to the government's research, about 3.6 million rear-end, road departure, or lane change crashes occur each year. Of these 3.6 million, 27,500 crashes result in one or more fatalities.

The IVBSS initiative aims to demonstrate the technologies necessary to equip all new vehicles with advanced driver assistance systems that would help drivers avoid the most common types of deadly crashes. The U.S. DOT is seeking to establish a partnership with the automotive and commercial vehicle industries to accelerate the introduction of integrated vehicle-based safety systems into the Nation's vehicle fleet.

The first phase of the two-phase initiative was completed in April 2008 and a new report is available that describes accomplishments and progress made during Phase I of the program that began in November 2005. Activities during Phase I focused on system specification and design, development, and construction of prototype vehicles.

This initiative, in partnership with the automotive industry, builds on completed and ongoing Intelligent Vehicle Initiative (IVI) field operational tests as well as results from naturalistic driving studies. It will involve projects and studies that include private passenger vehicles and freight-carrying trucks. The IVBSS initiative intends to develop objective tests and criteria for performances of systems that simultaneously address rear-end, road departure, and lane change crashes. Integration will increase the system effectiveness by improving system performance, and improving the driver system interface.

Proposed systems may extend current Adaptive Cruise Control (ACC) capabilities, increase control through vehicle braking, and, ultimately, the capability to perform coordinated control and braking actions.

[Download the report](http://www.nhtsa.dot.gov/staticfiles/DOT/NHTSA/NRD/Multimedia/PDFs/Crash%20Avoidance/2008/810952Lo.pdf) (Adobe Acrobat, 110 pages) <http://www.nhtsa.dot.gov/staticfiles/DOT/NHTSA/NRD/Multimedia/PDFs/Crash%20Avoidance/2008/810952Lo.pdf>

## Governor Signs AASP-MN Estimating System Manipulation Bill

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On May 8, Minnesota Governor Tim Pawlenty signed into law legislation proposed by the Alliance of Automotive Service Providers, Minnesota (AASP-MN). Senate File 3508/House File 3822 prohibits insurers from unilaterally and arbitrarily disregarding a repair operation or cost identified by an estimating system. The legislation will become effective on August 1, 2008.

"Collision shops simply want to know that when they are required to incur the cost of using certain estimating systems, that the results of those systems will be respected in terms of the repair procedures they undertake and the payments they receive," states Judell Anderson, AASP-MN Executive Director. "Under this bill, insurers will no longer be able to selectively use these estimating systems," she added.

The estimating database bill was one of three proposals advanced by AASP-MN during the 2008 Legislative Session. The two other bills, one which established a licensing program for collision repair shops and the other which prohibited insurers from owning repair shops, were heard and approved in the House Commerce Committee, but did not meet deadlines for additional committee hearings. These issues will be carried over to the Association's 2009 agenda.

In addition, AASP-MN warded off a measure to reduce the threshold for disclosure of motor vehicle damage from 70 percent to 60 percent of the cash value of the vehicle prior to sustaining damage. This legislation would have been detrimental to the collision repair industry by increasing the number of vehicles designated as "total loss."

## CIECA announces the Launch of CIECA University

Northbrook, IL –The Collision Industry Electronic Commerce Association (CIECA) announces the launch of its new on-line training and instructional platform. CIECA University can be accessed 24 hours a day, 7 days a week, 365 days a year by visiting [www.CIECAUniversity.com](http://www.CIECAUniversity.com).

Because the “University” is on-line, you can proceed at your own pace. Course modules vary in length, but most are ten (10) minutes in duration. Each module has a syllabus, or outline, to help determine your interest in the module. There is no charge to view any of the modules.

“CIECA’s leadership in developing data and communication standards for the Collision Industry is transforming the way all segments of the industry communicate. CIECA University is a logical extension of CIECA’s expertise. Through a series of short, informative courses, CIECA is providing the industry, both members and non-members, with general and targeted instruction to assist in the implementation of electronic commerce,” said Fred Iantorno, CIECA’s Executive Director.

Current course offerings include:

- Why migrate from EMS to the new BMS (Business Message Specification)?
- What messages exist and who are the potential trading partners?
- Introduction to CIECA and the contents of the CIECA web site;
- How to register for the CIECA members’ only web site; and,
- Introduction to the CIECA members’ only web site.

Also planned are:

- What is the BMS?
- How do I read an XML message and can I figure out what is in there?
- Understanding data formats & technical verbiage; and,
- Planning your first implementation.

There is also a link for visitors to suggest future course topics. CIECA’s Education Committee is responsible for the development and

## CHAIRMAN’S MESSAGE

### *We’re still hard at it!*

Though currently we are interviewing to fill the position of executive director, as a whole, SCRS has not lost momentum in our mission to work together to positively impact our industry. I am proud to announce that our administrative team and entire board of directors has unselfishly taken on additional responsibilities to ensure SCRS stays informed, continues to monitor, and is part of industry issues resolution. Rest assured, as part of the Executive Director Search Committee, I am confident we will be announcing the name of our new executive director by January 1, 2009.

The Affiliate Leadership Conference, held recently at the I-CAR World Headquarters in Hoffman Estates, Illinois, is a great example of this teamwork. This third annual event was planned, produced, and moderated with great accomplishment. I will be the first to admit: it would have been much easier to have postponed the event and assigned the new executive director this endeavor. But now in hindsight, I believe that for those of us that spent the time preparing for this event, we actually took on a different sense of ownership which positively affected the eventual outcome of the event. From my point of view, there is a difference when you simply walk into a room and follow an agenda, as opposed to have taken an active role in assembling the agenda with relative topics, supporting it with pertinent information and including value-added materials. We obtained much positive and encouraging feedback from the attendees, as well as input pertaining to the future direction of SCRS. We truly value everyone’s time and effort in making this event such a success.

What’s next? Based on what we derived from the affiliate conference, “A lot!” SCRS has been given four major takeaways from the conference. It is our plan to incorporate these into our task list and begin to make the necessary contacts, provisions and actions toward completion of these items.

NACE is also drawing close. As this assembly draws all the major players in our industry, this creates a prime opportunity to network and address our current tasks. Similar to the CIC meetings, this allows SCRS the opportunity to begin or continue our open dialogue with the OEMs, remanufacturers, paint companies, information providers, insurers, etc. NACE is a busy time for us, as all of you are aware, since we only have four such meetings a year when this concentration of industry segments are literally in the same room.

We hope that your schedule allows you to come to NACE week, and be a part of the efforts of SCRS. Our booth is always full of activity with many of our Board and members talking about the latest industry topics!

We welcome your attendance and appreciate your support, but even more so, your participation.

**Respectfully submitted, Gary Wano, SCRS Chairman**

## **GREG COCARRO BEATS PROGRESSIVE**

By now everyone in the auto body industry in America is aware of the Progressive vs. Greg Coccaro lawsuit. Back in 2005 Greg Coccaro repaired a brand new Mercedes for his customer, let's call her Mrs. Jones. His final bill for the repair was \$34,000.00. Progressive was the collision carrier on the Mercedes and had seen the vehicle immediately after the accident. At that time Progressive prepared an estimate of \$7,000.00. Obviously Progressive's first estimate was **grossly underwritten**; but that seems to be Progressive's (and many Insurance companies') general business practice!

Now Greg Coccaro has been in the auto body repair business for over 30 years. His shop, North State Custom in Bedford Hills, NY, is an absolute showplace and would be classified as a First Class facility by anyone's standards. Greg has made the commitment and spent the capitol to have his shop meet the certification requirements of Mercedes, Jaguar, Volvo and BMW. His employees are also factory trained. Because of his solid 30-year business reputation, excellent facility and employees, local dealers recommend their clients to him. In this case Mrs. Jones called the local Mercedes dealer who recommended the car be towed to North State Custom, Greg's shop.

When Progressive found Coccaro had possession of the Mercedes, they did everything they could to get it away from him. But that did not work! Now Progressive had done this to Greg before: they had consistently told Greg's customers not to deal with Greg and that he was a **PROBLEM SHOP!** Progressive tried to steer Greg's customers away from him and many times they were successful. In recent years Greg's business records showed a dramatic drop in repairs paid by Progressive even though Progressive's market share was rapidly increasing.

Auto body repair shops across America are experiencing identical problems as the insurance industry becomes emboldened to illegally steer and direct customers to facilities on their programs even when the insured has expressed a desire to use a facility not on the insurer's program.

When the vehicle arrived at Greg's shop it became apparent that Progressive's appraiser had missed a substantial amount of damage. North State then called Progressive for a re-inspection. After reviewing the vehicle on a lift, the appraiser rewrote a new estimate for approximately \$26,000.

However, when management reviewed the appraisal they reduced it by \$8,000.00. Greg felt this reverse supplement was unconscionable and knew it was just the beginning of Progressive's long, drawn out estimating process meant to delay and impede the repair process and frustrate body shop operators. Greg advised Mrs. Jones that she could have Greg repair the Mercedes or have Progressive repair the Mercedes, but he would no longer deal with Progressive, he was repairing the Mercedes for her; not Progressive! Mrs. Jones wanted Greg to make the repair.

Greg prepared an initial estimate of \$26,000.00. He faxed his estimate to Mrs. Jones and she signed authorization to repair the Mercedes and initialed every page of the estimate! During the course of the repair, Mrs. Jones called often and she was advised additional damage and part price increases had caused the cost of the repair to go up. When Greg completed the repair his final bill was \$34,000.00. Mrs. Jones then asked if North State could assist her in getting Progressive to pay more money. Greg advised her that he would supply parts invoices on her behalf to Progressive totaling approximately \$10,000. One of Progressive's supervisors came to Greg's shop, inspected the Mercedes and took the parts invoices.

After a week or so of wrangling back and forth between Mrs. Jones, her son and Progressive, Greg's shop received a call from Progressive's office manager. He said that Progressive was paying the bill and that because of all the delays and problems with the claim, they were going to deliver the car to Mrs. Jones as a customer service. After receiving the total of Greg's bill, Progressive came to the shop with a check for \$34,000

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made out to North State Custom, an estimate totaling the amount of the bill and a tow truck.

Progressive had told Greg they would pick up the Mercedes and deliver it to Mrs. Jones as a courtesy to her. But they took the Mercedes and did not deliver it to Mrs. Jones, they told her it was a total loss and paid her \$42,000.00 on that basis! Progressive then dismantled the Mercedes and sued Greg for \$76,000.00 claiming he had committed insurance fraud!

It was obvious right from the start that this case was not about money. Progressive could have easily just paid Mrs. Jones the \$34,000.00 for her loss and walked away from the claim. But, they said the \$34,000.00 was more than 75% of the Mercedes value and by New York State insurance law they had to declare it a total loss! Humbug, Progressive deliberately undervalued the Mercedes to total it. They wanted to sue Greg to teach him a lesson. The lesson is, Progressive is in control of the repair process. Progressive will dictate what parts to use, how to repair the vehicle and how much it will cost, **not the repair shop!** They could not allow Greg to set the precedent that he was in control of the repair; not Progressive. What if other repair shops began doing that? The insurance industry would lose control of the repair shop industry!

When adjusters, supplier representatives and customers came into Greg's shop and told him they heard he was being sued for insurance fraud, Greg decided to fight back. He sued Progressive for \$40,000,000.00. He accused them of steering and directing his customers away from him and damaging his good name and reputation.

Progressive spent massive amounts of time and money to prosecute their case. They hired a high-powered law firm from Philadelphia and an expert witness. The law firm fees were in the six figure range and the expert witness cost \$30k-\$40k. Obviously money was no object: Greg must go down! During opening arguments they intimidated Greg had taken advantage of a senile little old lady (Mrs. Jones) and forced Progressive to pay the claim twice. They said Greg had overcharged for repairs and did unnecessary repairs.

But during Mrs. Jones' discovery testimony, it turned out she was a college professor that commuted between Westchester County and New York City with the Mercedes daily to teach. Mrs. Jones was no senile little old lady: she was a mature woman with all her faculties and then some!

During the course of the trial, the judge kept advising both parties to settle, She told Progressive it was very difficult to prove fraud and it was in everyone's interest to settle. In fact, Progressive offered to settle for \$1.00 if Greg would drop his suit against them. Now, Greg's legal defense was expensive and a man with a lesser constitution would have jumped at such an offer. But Greg knew paying even \$1.00 was an admission of guilt and he had done nothing wrong. To Greg's credit and testimony to his good character and strength of conviction, he refused the offer!

When Progressive had completed presentation of their case, it was Greg's turn to put on his defense. His attorneys, Tony Mamo and Erica Eversman, made a motion to dismiss the case. Progressive had not produced any evidence to show Greg had committed insurance fraud. They had paid Greg in full and had not indicated the payment was under protest, they had no case! Judge Mary Smith agreed and dismissed the case with prejudice.

This case is testimony to the position of Progressive and many insurers when it comes to paying collision claims. The insurers feel they are the customer and therefore have the right to dictate the terms of settlement in their favor. But nothing in the contract of insurance between the customer and insurer has any such language. The policy merely says the insurer must pay the cost of repairs. The courts have held that, as long as the repairer's costs are FAIR AND REASONABLE, that is what the insurer must pay. Greg's costs were fair and reasonable, and he has every right to deal directly with his customer without undue interference from an insurance company.

The auto body industry owes Greg a HUGE thank you. Greg has shown that, even with their huge financial backing, the insurance industry cannot beat the legal system where the truth will prevail. If you would like to support Greg in his upcoming suit against Progressive, and it is in your best interest to do so, send a donation to North State Custom Legal Defense Fund, 114 Green Lane, Bedford Hills NY 10507.

WELCOME  
NEW

MEMBERS:

Affiliate Associations

Automotive Parts &  
Services Association

General Members

Kevin Hendrix  
Joe Stewart Body Shop



Remember to visit the  
“Members Only” section  
of the SCRS website to  
view new postings on  
industry issues. Obtain  
login information from  
Linda in the Administra-  
tion Office.

Phone:1-877-841-0660  
or email info@scrs.com.

**OPEN BOARD MEETING SCHEDULE**

Wednesday, November 5th

4:30 p.m. — 6:00 p.m.

Las Vegas, Nevada

Mandalay Bay Hotel

Reservations:

Made through NACE Housing

Other Industry Meetings & Events

**Monday, November 3rd:**

1:00 p.m. — 5:00 p.m. National Auto Body Council

**Tuesday, November 4th:**

8:00 a.m.— 5:30 p.m. Collision Industry Conference

11:30 a.m.— 1:30 p.m. Industry Achievement Luncheon

6:30 p.m.— 9:00 p.m. CIC Reception

**Thursday, November 6th:**

7:00 a.m.—National Auto Body Council Annual Meeting

November 6th — 8th

NACE

Industry Meetings: Weds.-Fri., January 14th-16th, 2009

Meetings & Times to be Announced

Scottsdale / Fountain Hills, Arizona

Radisson Fort McDowell Resort & Casino

Reservations: 1-480-836-5300

**“Working Together Is The Most Important Work We Do”**