



Tennessee Collision Repairers Association

NEWSLETTER

Vol 1, Number 2

September 2007

NEWS:

- The TCRA is growing! We now have 15 paid members from Jackson and West Tennessee. We have identified over 90 shops in our area that are potential members for our organization. Member shops are encouraged to seek out these potential members and invite them to one of our meetings. Welcome to Steve Sweat Body Shop of Selmer, Tennessee our latest member.
- We are currently seeking sponsors for our organization. Potential sponsors have been identified and are currently being worked by David White of David White Body Shop in Jackson. Thank you to Tom Warren of Warren and Associates, Body Shop Equipment Sales, for stepping up and providing sponsorship for the TCRA.
- Latest Collision numbers from Insight Magazine are included in this edition as an enclosure.
- Bob Mitchell, President of TCRA, represented the Association at the SCRA Affiliates Leadership Conference at I-CAR World Headquarters in Chicago this month. See story on following page.



President's Report:

I traveled to Chicago to meet with the SCRA Board of Directors and representatives of the Affiliate Associations of the SCRA on September 13, 2007. The meeting was held at I-CAR World Headquarters.

The SCRA commissioned CSI Complete to conduct a survey of body shops nationally. The respondents were asked to identify how much impact nine issues provided had on their business. Additionally, surveys were requested and received from the affiliate member associations of the SCRS. The results of these surveys were compiled by the SCRS BOD. The resulting raw data was examined by the affiliate representatives along with the SCRS BOD. The list of nine issues was studied and discussed at length in an open forum. Eventually committees were formed to study each of the nine issues individually. The committees made individual presentations for each of the nine issues.

The issues of discussion were:

1. Losing customers to steering by insurance companies
2. Lack of training or knowledge of adjusters/field staff
3. Suppressed labor rates
4. Database abuse or manipulation
5. DRP Requirements
6. Insurer dictating the repair
7. Third party desk reviews
8. Refusal to acknowledge p-pages
9. Fear of reprisal or threats from insurer to comply

For the purpose of discussion and study items 4 and 8 were combined. Each item was handed off to a committee which was comprised of a member of the SCRS BOD and affiliate representatives. I served on the "Flat rate suppression" committee.

After the presentations by the committees, the list of 9 items was reduced to 8 items or issues. The issues were ranked by importance based upon the surveys and by input from the conference attendees which narrowed the field of issues to three. Additionally it was determined by the conference that Education of the Consumer was also a very high priority. The three top issues along with the Consumer Education Initiative were adopted by the SCRS BOD to become the top priorities to be presented to the Collision Industry Congress this fall for the 2008 agenda.

The issues were:

1. Loosing Customers to Steering by insurance companies
2. Suppression of Labor Rates by insurance companies
3. Database Abuse and Manipulation, disregarding Procedural Pages by insurance companies
4. Consumer Education Initiative

The results of the surveys will be released by the SCRS later this month. Remember, this was a nationwide survey, all markets are not the same. These issues may or may not apply to our particular market. The key issues will be discussed in a future meeting of the TCRA.

Procedures Review:

FEATHER, FILL AND BLOCK

Presented below are copies of articles supplied by the Society of Collision Repair Specialist (SCRS) and the Automotive Service Association (ASA). The TCRA is an affiliate of the SCRS. After reading the following position statements one should have a working knowledge of the subject of Feather, Fill and Block. The TCRA position follows that of the SCRS, CIC and ASA position.

SCRS Website Position Statements
Collision Industry Congress
Position Statement
Estimating Committee – April 2006

The repair process associated with damaged painted body panels typically involves multiple operations; body repair, feather, prime, block, and refinish. The body repair process includes metal finishing and/or the use of body fillers to return the body panel to its undamaged contour. The repaired area is finished to 150 grit and free of surface imperfections. Feather, prime and block are not-included refinish operations that complete the process from 150 grit to the condition of a new undamaged panel. The refinish process starts at the condition of a new undamaged panel and is outlined and documented in printed and/or electronic time guides. The body / paint labor and materials necessary to prepare the repaired area from 150 grit to the condition of a new undamaged part is a valid and required step in the process. The labor and material allowance for these operations requires an on the spot evaluation of the specific vehicle and damage.

Thursday July 19 2007

ASA States Position on Feather, Fill and Block Procedure

The Automotive Service Association (ASA) board of directors has approved a position statement on the "feather, fill and block" procedure presented by the ASA Refinish Subcommittee. The subcommittee drafted the text under the direction of subcommittee chairman Dan Stander of Jerry Stander's Collision Works in Littleton, Colorado.

The approved statement officially presents the association's position that as an industry standard, the process of "feather, fill and block" occurs during the refinish process of a repair. ASA recognizes the necessity of this process to provide the consumer with the highest standard of repair and craftsmanship in regard to the refinish process of a repaired panel.

ASA also acknowledges the "gap" (as defined by the Collision Industry Conference and addressed by the major information providers within their estimating guides) between preparation steps needed to raise the condition of a repaired panel to that of a new and undamaged panel.

In addition, ASA is aware of the lack of payment for this necessary procedure and strongly encourages insurers to acknowledge this action and compensate repairers accordingly for the labor and materials associated with this operation.

"This is such a prevalent issue. With rare exception shops are simply not compensated for the feather, fill and block steps after each panel is straightened," said Darrell Amberson, AAM, ASA's Collision Division director and president of Lehman's Garage in Bloomington, Minnesota. "CIC has provided a clear definition and it's time to implement steps to include this part of the repair process on estimates. Even though the database providers acknowledge the process, there is no automated system currently. It is up to the user to make a manual entry on each estimate. All who make compensation based on our industry's estimating systems, particularly insurers, should recognize these steps and make appropriate allowances."

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The Blend Stops Here!

Article Submitted By Dan Risley, SCRS Executive Director

Over the past several months, blend panels have been the center of controversy for collision repairers all across the country. This issue has been brought to the Society of Collision Repair Specialists' (SCRS) attention, not only by several of our members but also at a recent Collision Industry Conference (CIC) meeting.

SCRS contacted the information providers in addition to the paint manufacturers to obtain their technical information and input to properly address these questions. I think the following quote by Marie Dressler best summarizes why we asked for their assistance; "Any **fact** is better established by two or three good testimonies than by a thousand arguments."

The questions delineated below, and their subsequent answers, should not only provide some clarity but also assist the industry in resolving potential problems before they arise.

1. What is a blend panel?

ADP:

Blending is defined as the application of color to a portion of an undamaged adjacent panel for the sole purpose of facilitating the appearance of color match into the area.

Mitchell:

A blend operation requires basecoat application to 'less than full coverage' to blend new color with existing color for color match.

MOTOR:

Blending may be necessary for adjacent body components to avoid noticeable color variation between newly applied paint and the existing paint of adjacent components or areas.

Trevethan Enterprises:

Blending or a partial basecoat application may be necessary to facilitate color match in adjacent panels. This includes the proper application of clearcoat to manufacturer specifications.

Also, it is important to independently assess the procedural steps required when refinishing a vehicle from the labor times necessary to perform those steps and that both of these items should be evaluated independently from the costs or materials needed during the operation.

The following is an example of what some have INACCURATELY considered a blend panel: A fender has a small dent in the front of the panel. After being properly repaired, the refinish technician prepares the fender for paint. During the

refinish process, the technician blends the basecoat such that color does not reach the rear portion of the fender and then applies clear to the entire panel. In this example, the fender is NOT a blend panel because it was damaged and you were not applying basecoat for color match purposes.

2. Does clear need to be applied to the entire panel or can it be blended?

SCRS contacted the paint manufacturers and requested a written response as to their recommendation. To summarize their recommendations; a proper repair entails applying clearcoat over the entire panel. Applying clearcoat to a portion (blending the clear) and melting in the edge is not warranted. SCRS members can obtain a copy of the written response from Akzo Nobel, BASF, DuPont, PPG and Sherwin Williams by contacting Linda Atkins, SCRS Administrator at (877) 841-0660 or e-mail at scrs1@aol.com.

3. Insurers are being questioned for arbitrarily reducing the amount of refinish time provided in an estimating system on repaired panels because basecoat is not being applied to the entire panel. They claim that it is a "blend panel". Are they correct? What can I do to show them they are using the information incorrectly?

To further illustrate the issue, the repair facilities' estimating system provides 3 hours to refinish a fender. The fender has a dent at the front of the panel and is properly repaired by the body technician. The refinish technician has enough room to blend the basecoat on the fender so that blending an adjacent undamaged panel (such as the door) is NOT necessary.

As explained in the response to the first question, applying basecoat to a portion of a damaged panel and then applying clearcoat to the entire panel, does not qualify that panel as a "blend panel". **Full refinish time applies.** The refinish time should not be reduced because by definition, this is not a "blend panel". Based on that information, we believe it should be enough to address the issue. However, we decided to go a step further in investigating this matter. If times were being reduced, we wanted to understand how the insurers were coming up with the times they were suggesting.

We asked the information providers (ADP, Mitchell, MOTOR and Trevethan Enterprises) to provide an explanation of how they break down the refinish times in their database. For example if there was 3 hours to refinish a panel, what percentage of that time is designated to the actual application of the basecoat?

ADP:

"ADP refinish times are developed utilizing a combination of comprehensive studies, industry input, and in-depth process review. The results are determined in several ways." They also stated that they do not break down their refinish times into smaller subcategories, such as the time to apply basecoat or sealer.

Mitchell:

"A formula or "breakdown" of the operations within our blend formula is internal information only and not for external consumption."

MOTOR:

Typically 19% of their refinish time is allocated towards the application of basecoat and another 7% for the application of sealer. This is based on the assumption that it is a new undamaged panel. In their response, they also added the following statement, "MOTOR's refinish allowance is based on new OEM replacement parts and those included/not included labor operations. Procedures within the refinish operation are cumulative tenths of an hour which make up MOTOR's refinish allowance. Repaired panels introduce other variables (i.e., damaged area, repair techniques and/or climate) into the refinish process and the primary reason MOTOR does not supply a formula for refinishing & blending the same panel. Each repair has its own unique circumstances which can only be assessed by an on-the-spot evaluation. Suggesting a percentage reduction for

partial panel refinishing would affect all included operations and would be inappropriate. It is MOTOR's position that the estimating of a variable is a process best reserved for the judgment of an estimator/appraiser following a thorough on-the-spot evaluation of the specific vehicle and damage in question, and with the agreement of all parties involved."

Trevethan Enterprises:

"No comment at this time as we are still in development."

After reading their responses, a much bigger issue is unveiled. If insurers are *arbitrarily reducing* the refinish time on damaged panels as reported by collision repairers, does this violate the Unfair Claims Settlement Practice? As you can see from the above descriptions and definitions provided by the information providers, it would appear that there are some who are applying "blend panel" times inappropriately.

SCRS recommends addressing this issue with the individual adjuster or supervisor. If the situation is still not remedied, you may consider contacting your state's Department of Insurance and filing a complaint. A link to their website can be found at www.scrs.com. SCRS has provided this information as a tool for repairers to fairly and equitably resolve any differences they may be experiencing. Our experience in the past 20 years has been that educating and negotiating goes a lot further than demeaning and demanding. We hope that you will use this appropriately and remember that, "Working Together Is The Most Important Work We Do".

The above articles are published with the permission of the CIC, SCRS and ASA for the purpose of education and dissemination.

Procedures Summary:

The procedures defined as "Feather, fill and block" are required to bring the damaged panel back to a condition that replicates a new un-damaged panel for the purpose of refinishing as determined by ASA in actual test on actual automobiles. Time studies done by ASA on various makes and models of vehicles show that this procedure takes 0.3 to 0.4 hrs per square foot of damaged area. Since this procedure fills the gap left after the straightening is done, it is considered to be part of the refinish operation and should therefore be considered in the material calculation or figured as refinish time.

Feather, Fill and Block is a procedure that is recognized by the ASA, CIC and SCRS, and because this association prescribes to the standards set forth by the CIC and SCRS, Feather, fill and block is recognized by this association as a standard procedure that should be listed as a separate line item on any repair order that involves panel repair and or cut/weld replacement panels.

Based upon statements from the various information providers, i.e., Motors, Mitchell and ADP, the TCRA holds the position that there is no basis in any of the flat rate manuals or databases to reduce the refinish time in any blend operation.

Discussion of procedures is done to educate the membership. The TCRA does not dictate prices or business practices. Inclusion of these procedures or not allowing these procedures is a business decision that lies with the individual collision repair center.

**NEXT MEETING SCHEDULED FOR 12 NOVEMBER
2007**

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McKELLAR-SIPES REGIONAL AIRPORT
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Collision Repair Volume in U.S.

® Collision Repair Industry Insight 2007

	1980	1990	1995	2000	2002	2003	2004	2005	2006	2007 (est.)
Number of vehicles in operation	140 million	180 million	185 million	213 million	214 million	218 million	224 million	230 million	235 million	239 million
% involved in collision annually	20%	18%	15%	17%	17%	17%	16%	16%	16%	15%
% resulting in claims	18%	12%	10%	13%	12%	11%	10%	10%	11%	11%
Total loss vehicles	4.0%	5.5%	7.0%	9.5%	13.0%	16.0%	17.0%	19.0%	20.0%	21.0%
%(of claims) not repaired	20%	24%	26%	28%	30%	30%	32%	32%	31%	30%
Number of vehicles repaired annually	18-19 million	15-16 million	12-14 million	18-19 million	18 million	17.8 million	17.5 million	15.5 million	16.1 million	16.3 million