

CIC Database Committee – CCC Bumper Prompt Details

1. Background

The CIC Database Task Force (DTF) has consumed significant time and energy engaging CCC on this issue during the past several years. During this original process, and on other more current issues or requests, CCC appeared to have taken the position that their estimating product was obligated to reflect OEM approved procedures, and so to help illustrate the DTF's objection to the use of the bumper prompt, a thorough review of the approved application procedures for the major paint brands was completed. At the end of this process, CCC concluded that the bumper prompt was in conflict with approved procedures, and publicly announced that the bumper prompt would be fully removed.

“Based on some documented and very compelling and convincing new information to us, we’ve been able to determine unequivocally that...refinishing non-metallic bumpers require use of a material that is not recommended on the rest of the vehicle.”

During the later part of 2008, CCC decided to reintroduce the bumper prompt via the Pathways 4.5 software release. The DTF immediately challenged the decision which seemingly disregarded the outcome of all previous dialogue and the resolution that was announced to the industry only months prior. The DTF formally questioned CCC as to what drove the reintroduction of this feature and what recent changes in paint manufacturer processes might support the return of the prompt. CCC's position relative the prompt appears to have changed with the reintroduction, as paint manufacturer data no longer appears to be the governing factor. CCC is instead now referencing informal shop surveys, and the claim that it has a primary obligation to provide estimating tools to a variety of end-users, including both repairers and insurers, whom they receive communication and requests for feature enhancements from regularly. CCC has contended that the estimating products should be able to produce estimates that identify how the procedures are being performed within even as small as 20% of the market, regardless if the proper approach to repair procedures as defined by the OE is followed, or not. Furthermore, CCC appears to be taking the position that by having these “tools” optionally enabled or disabled, the obligation to closely mirror OEM procedures no longer applies. Additionally, in contrast to the original values utilized in their system, this particular change seemingly does not warrant any type of designation that a user defined entry was made. Interestingly, CCC contends that “it is clear to see when the prompt is used or not” “All you have to do is look for the overlap deduction line”. The DTF has asked CCC how many people outside of their users they expect would be able to recognize this! The DTF strongly disagrees and contends that undeserved legitimacy is afforded non-approved procedures when they are automated within an estimating system, regardless of whether they can be disabled.

2. Paint manufacturer positions & procedures (See attached individual responses)

3. CIC DTF Statement

This statement is presented to the CIC body from the CIC Database Committee on behalf of the collective membership of ASA, AASP and SCRS, and the many CCC Pathways customers within this collective membership.

The Database Committee first challenged CCC on the bumper prompt issue several years ago. Then, as also applies now, we contended that the bumper prompt was unjustified and in direct conflict with existing paint manufacturer recommended procedures. CCC engaged us in what turned out to be an unnecessarily drawn out process, consuming and distracting our volunteer resources from other pressing action items, at the conclusion of which CCC publicly agreed that the prompt was in conflict with recommended refinish procedures, finally fully removing the prompt early in 2008. During this entire process, the Database Committee was persistent and forceful, but always respectful of relationships that we sought and today still seek to maintain. As you are all aware, in what we view as a violation of trust with the collision industry, CCC has elected to reintroduce the bumper prompt. This occurred with no prior notice to or consultation with the Database Committee, while one or more insurers were given advance notice of this pending change. The Database Committee immediately engaged CCC, and recently motivated a physical meeting with CCC in Chicago, during which time all the major manufacturers reiterated their published recommended procedures. By our measure, these approved procedures are essentially identical to those that ultimately motivated the initial removal of the prompt. Despite what we view as compelling evidence, CCC has thus far elected to stand firm in their decision to reintroduce the prompt.

The Database Committee contends that an optionally turned on or turned off bumper prompt is just as indefensible today as it was when it was first introduced. These estimating products need to be trusted by all end users for them to be of any value. That trust will only exist if and when their scope is limited to them being a messenger of information and a reflection of approved processes, whether these processes are defined by the OEMs or by the paint manufacturers. When an estimating solution goes past this definition and seeks to accommodate or reflect market desires and pressures, we are left with chaos and the reinforced perception that these estimating systems and their underlying databases are the subject of manipulation.

The CIC Database Committee feels strongly that wherever possible, these products should be solely driven by approved procedures. We have done our homework, and we once again contend that the data that we have gathered in no way justifies a return of the bumper prompt. We are more than willing to share this data publicly. At a minimum, we contend that CCC owes this same transparency to our industry. We challenge CCC to publicly share any new and specific paint manufacturer data that would justify a return of the bumper prompt. We also

challenge CCC to explain how our industry is bettered by the reintroduction of a tool that has had a long history of abuse by parties seeking to artificially influence estimate values.

Collision industry surveys indicate that database manipulation continues to be a top concern for repairers. The CCC bumper prompt issue is both a prime example of this manipulation, and an opportunity for the repairers to draw a clear line in the sand and say “enough is enough”.

4. CCC Position Interpretation

Despite significant verbal and written pushback from the collision repair industry, CCC appears unwilling at this point to retire the bumper prompt, take any further steps to ensure that the deviation caused by use of the prompt is easily distinguished on an estimate, and clearly define when specifically the repair conditions would deem it appropriate to select to minimize a negligible abuse of the resulting deduction. CCC is specifically citing the refinish procedures of one major paint manufacturer, whereby unique products and processes are not required for the application of clearcoat; however a thorough review of this one manufacturer-specific process easily provides a better understand of whether it justifies the application of a deduction by selecting the bumper prompt: When the ***overall (base-coat and clear-coat)*** process for refinishing flexible parts (bumper covers) is shown to require that they be refinished separately in a non-continuous process, all parties seem to be in agreement that the bumper prompt is not applicable.

In the vast majority of paint brands, that uniqueness occurs within the clearcoat process. In the case of the mainstream Sherwin Williams product line (Ultra 7000), that uniqueness does not exist in the clearcoat, as the exact same clearcoat is applicable to both rigid and flexible parts, and no special clear coat additives (flex) are required when refinishing flexible parts. However, the basecoat within this same product line ***does*** require unique basecoat materials (hardening agent) when refinishing flexible parts that are not required, recommended or economically practical to be applied to the rigid parts as well.

In other words, in the case of this one manufacturer and product line, while the clearcoat does not define a unique process, the basecoat does. If CCC contends that a deduction in labor and materials is applicable to the application of clear, then also applicable is the ***addition*** of labor and materials related to the application of basecoat. One might then logically conclude that the additions and subtractions would effectively cancel each other out, which brings us back to a condition where the bumper prompt serves no ultimate value if the logic of deducting and adding time is applied consistently to all specified steps of this one refinish manufacturer.

CCC is also promoting the value of a newly formed Business Advisory Panel, comprised of industry representatives from various segments, whose function would be to evaluate the merits of potential product changes such as the bumper prompt. The Task Force applauds this initiative but finds itself questioning why the DTF was not solicited for participation in this panel. It also raises questions as to why CCC has not publically

committed to a re-evaluation of the merits of the bumper prompt via this supposedly newly created panel.

CCC used to have a panel of industry volunteers that participated in a quarterly phone discussion of database topics. It was called the CCC/Motor Industry Forum. It appears that CCC simply suspended group activities over a year ago. They have not disclosed why. The group was not called upon to offer input on the recent bumper prompt policy changes.

5. Summary

The CIC Database Task Force contends the following:

- ∞ The place and purpose of these estimating products is to reflect the most accurate information available. In the case(s) where OEM (or their approved designated suppliers) procedural information is available, these estimating products should mirror that OEM information. Disregard of available OEM information results in the chaos and reduced confidence in the overall process that we feel exists presently.
- ∞ Essentially the identical OEM paint manufacturer information that motivated a full removal of the bumper prompt in 2007 exists today. This information simply does not support the validity of the bumper prompt, even in the case of one manufacturer where the unique process is defined by the basecoat and not the clearcoat.
- ∞ The fact that the reintroduced CCC bumper prompt can now be optionally enabled or disabled is irrelevant. All features within these estimating products, optional or otherwise, should mirror approved procedures whenever those procedures exist and are documented. The automated enabling of unsupported labor and material deductions gives the appearance of legitimacy to a feature that is undeserving, and that can easily be achieved by manual estimate entries that are agreed upon by all involved parties.
- ∞ The application of the CCC bumper prompt is not clear or obvious to anyone, including the average skill level user viewing a printed Pathways estimate. There is no disclosure whatsoever on the printed estimate indicating that the bumper prompt has altered the content and bottom line of the estimate. Given this, the bumper prompt will continue to confuse, mislead and harm end-users who may be affected by the prompt without knowing it was utilized.
- ∞ The financial impact of the bumper prompt is much more significant than has been conveyed. At prevailing rates, there have been documented examples to the bottom line on a single estimate in excess of \$150. We question whether CCC can demonstrate that the bumper prompt, which in essence claims improved refinish process efficiency, produces labor & material savings in the magnitude of the above number.
- ∞ The CCC bumper prompt has a long history of misapplication and abuse. The industry contends that CCC has an ethical obligation to resist catering to client objectives that can be achieved without manipulation of the estimating

software, and that have been shown to serve the needs of a small subset of the overall customer base while potentially harming others.

- ∞ In addition, the industry contends that CCC has an ethical obligation to ensure that they have taken every reasonable step to ensure that “tools,” or options available within their system, have clearly defined parameters of use when they are not applicable across the board. We believe it is a reasonable expectation that CCC understand the areas within their system that open the door for abuse, and safeguard that possibility through the product or clear and concise documentation and positions that provide transparency to the **proper** use of the system as it was intended.

The CIC Database Task Force has consumed a great amount of time and energy on the CCC bumper prompt issue. As an all volunteer committee, this continued effort has distracted us from other work areas, and hindered our ability to positively drive other necessary IP product fixes and improvements. Furthermore, we have never positioned ourselves as wanting to or being able to tell any IP what they must do. Given these facts, we believe CCC should be compelled by the irrefutable evidence and response from both the repair industry and the paint manufacturer communications which have both already been presented to make the necessary changes. We strongly urge Pathways end-users to draw their own conclusions and to voice their opinions in a variety of ways as frequently as they see fit. To date, we have been made aware of several cancelled subscriptions due to CCC's activities; we wonder whether or not there are more to come. The CIC Database Task Force stands firm in its position that the reimplementation of the bumper prompt is based on flawed logic and demonstrates a lack of transparency to the industry. It displays a lack of the high standards of independence and accountability that should be present in every estimating tool used by the various segments of our industry.