



Automotive Service Association®

COLLISION OPS NEWS

A bi-monthly news update from ASA's Collision Division.

May/June 2014



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Assistant Division Director

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Recent activities of the ASA Collision Division Operations Committee ...

Richard Flint to Deliver Keynote Address at NACE!

ASA is excited to have Richard Flint as the keynote speaker at this year's NACE & CARS shows! A popular and familiar face at our trade shows, Flint is regarded as one of America's top personal development speakers and coaches, and will be speaking on the "Power of Working Together" during the opening General Session July 31 at 8 a.m.

Aluminum: A Heavy Change for Many

There is much excitement in the industry about the new high-strength, military-grade aluminum alloy that will be used on the 2015 F-150 truck. But with that excitement is a list of unknowns and a large amount of apprehension. NACE will provide attendees a glimpse of this vehicle as well as vital information about the repair process and potential cost of equipment for a collision repair facility. In the coming months, ASA and the collision operations committee will continue to pursue opportunities to eliminate the unknowns and apprehension for our members.

The NACE 2014 event will provide attendees a glimpse of this vehicle as well as vital information about the repair process (including on the show floor, live repair demonstrations) and potential equipment costs for a collision repair facility.

Most Favored Nation Clauses: A Clause for Concern

The most commonly used "most favored nation" (MFN) provisions guarantee an insurer that it will receive prices that are at least as favorable as those provided to other carriers of the same seller, for the same products or services. Although at times employed for benign purposes, MFNs can, under certain circumstances, present competition-related concerns. This is because they may, especially when used by a dominant buyer of intermediate goods, raise other buyers' costs or foreclose would-be competitors from accessing the market.

- During the past few months of 2013 and early 2014, meetings were held with ASA affiliates and other groups discussing ASA actions and positions on most favored nation (MFN) clauses, as well as insurance mandates such as the State Farm PartsTrader rollout.

ASA Collision Leaders Take 'Most Favored Nation Clause' Message to Capitol Hill

On June 18, ASA Collision Division leaders led by Dan Stander, division director, and Darrell Amberson, chairman, met with top Washington, D.C., officials on their second national fly-in regarding most favored nation clauses. Listed below are some examples of the negative impact of MFN Clauses:

- Collision shops: If the largest or a larger insurer insists on an MFN clause, shops are forced to make decisions as to

whether to participate with other insurers that may have smaller market share, but require higher discount(s). This could negatively impact the collision shop as well as limit the repair choices of the vehicle owner (consumer).

- Consumers: Shops are pressured to reduce direct repair program participation with carriers that require discounts, yet have a smaller market share. Consumers may not be able to have their vehicle repaired at their shop of choice if they want to have it repaired within the insurer's direct repair program. Consumers could face physical inconveniences with the lack of repair shop choice. The cost to repair a vehicle could increase with smaller insurer discounts becoming problematic for collision repairers.

- Insurers: Smaller carriers, and some larger carriers that require discounts, are at a disadvantage due to shops having to drop their programs to avoid the financial pressure of providing the same discounts to an insurer that is dominant in the marketplace. These carriers may be subjected to adding shops to their program that aren't the best in their respective market, but are willing to offer concessions.

Volunteers Needed: You Can Make a Difference

ASA is a member-driven association. To ensure continued success, members are encouraged to volunteer, serve and be involved with the association, not just at the local or state level, but also at the national level. Members are needed to serve on the 2015 Collision Division Operations Committee. The committee is comprised of shop owners and managers just like you. These volunteers, along with the elected division director, form a team that serves on behalf of all ASA collision members. If you are interested or want to recommend someone, contact Robbie Haas, collision division manager, at robbiea@asashop.org or call direct at (817) 514-2924.

Closing Comments from Dan Stander

If you have an idea, topic or project for ASA's Collision Division, please contact me or any committee member. ASA offers great opportunities to network with your peers at a local, regional or national level. Looking forward to seeing you in Detroit!

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