

**Issue:
December
2024**



Wisconsin Collision Repair Professionals

The Body Shop Advocate

~ WE ALL DO BETTER TOGETHER ~



FAREWELL FROM THE DESK OF OUR CURRENT PRESIDENT

As I step down as president of the Wisconsin Collision Repair Professionals (WCRP) this month, I reflect on one of the most contentious and unresolved challenges in our industry: the relationship between collision repair shops and insurance companies. Over my five decades in the field, this dynamic has shifted from collaboration to conflict, and it is my hope that, moving forward, both sides can find common ground for the benefit of customers, businesses, and the industry as a whole. When I started in collision repair in the 1970's, the relationship between body shops and insurers was more cooperative. Insurers relied on the expertise of repairers to guide the process, trusting their assessments of damage and repair needs. This mutual respect enabled both parties to focus on their shared goal: returning vehicles to safe, pre-accident condition.



However, as the industry evolved, that collaboration began to deteriorate. The introduction of direct repair programs (DRPs) aimed to streamline the claims process by creating closer ties between insurers and shops, but it also introduced new pressures. Shops enrolled in DRPs often found themselves locked into strict guidelines that prioritized cost savings over repair quality. This led to disputes over labor rates, the use of aftermarket versus OEM parts,

and repair procedures.

For shops outside DRPs, the relationship became even more strained. Repairers often faced battles over necessary repairs, diagnostic charges, and reimbursement for time spent ensuring a vehicle's safety and integrity. The rise of "desk reviews," where repair estimates are evaluated remotely by individuals with little hands-on experience, further eroded trust.

At the heart of the conflict is a fundamental difference in priorities. Insurance companies aim to control costs and resolve claims quickly, while repair shops focus on delivering safe and quality repairs. When these priorities clash, it's the customer—and their safety—who suffers most.

We've seen numerous cases where shortcuts, like the use of non-OEM parts or procedures and refusal to pay for critical calibrations, have resulted in unsafe vehicles on the road. This is a risk that no reputable repair professional is willing to take. Yet, standing firm on quality often comes at a financial cost, as shops fight for fair reimbursement for the work required to meet OEM standards.

In this challenging environment, belonging to an organization like WCRP is more important than ever. Associations provide a united voice to advocate for the interests of repair shops and ensure their concerns are heard by insurers, lawmakers, and consumers.

WCRP, for example, has been instrumental in promoting fair labor rates, supporting legislation that protects repairers and consumers, and providing educational resources to keep shops informed of industry changes. By joining forces, individual shops gain strength in numbers, enabling them to push back against unfair practices and raise the bar for quality and safety.

Moreover, associations foster a sense of community among repair professionals. Through networking events, training programs, and knowledge-sharing, members can learn from one another and stay ahead of the curve in an ever-evolving industry. Being part of an association like WCRP ensures that no shop has to face these challenges alone.

As I retire, my hope is that the next generation of industry leaders will continue to push for reform and improved relationships. Here are a few key areas where this needs to be done:

1. **Transparency and Communication:** Both insurers and repairers must prioritize open dialogue. Insurers should involve repair professionals early in the claims process and trust their expertise, while shops should strive to educate insurers on the evolving complexities of repairs.

2. **OEM Procedures as Standard Practice:** Both parties must accept OEM guidelines as the benchmark for safe repairs. This requires insurers to recognize these procedures as necessary, not optional, and to reimburse shops fairly for adhering to them.

3. **Consumer Advocacy:** Educating vehicle owners about their

rights is essential. When customers understand the importance of quality repairs and are empowered to choose their repair facility, they become allies in the push for better practices.

At its core, the conflict between insurers and repairers stems from a lack of trust and respect. Repair shops are not adversaries but partners in ensuring customers receive safe and reliable vehicles. By recognizing each other's value and working toward common goals, both sides can build a stronger, more sustainable industry.

As I leave this chapter of my career behind, I am immensely proud of the work WCRP and its members have done to elevate the collision repair profession. Associations like ours are the backbone of progress, offering strength, support, and solutions in the face of adversity.

My hope is that the industry continues to embrace collaboration and innovation, guided by the principles of safety, quality, and mutual respect. Together, we can ensure a brighter, more unified future for collision repair professionals, insurers, and the customers we serve.

Larry Terrien
President



Spring 2025 Industry Event
April 4th, 2025
Osthoff Resort, Elkhart Lake, WI

**** Follow the [WCRP Facebook](#) page for more details ****

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Andy Grundman from Pat's Body Shop in Wausau with his guest article



Fighting for the Right Fix

The Broken Collision Repair Industry: How Insurance Companies are Undermining the System

My name is Andy Grundman. I have been in the auto body repair industry for 28 years. I started my career at the age of 11. When my father and I would repair go-cart bodies, salvage builders, and the occasional restoration out of our home garage. My father taught me everything I needed to know with tribal knowledge going back to the 70's. I have run Pat's Body Shop for 20 years now and I have got to watch firsthand how the collision repair industry has changed. I am also an instructor for WATEA through Northcentral Technical College where I teach the collision fundamentals course. I am also a board member for WCRP. I visit career fairs for both organizations where I love engaging with young people to try to drum up some excitement for this industry. The articles I write are my opinion on the industry I love so much that I have given my entire life to it.

The collision repair industry is in a state of crisis, and the root causes can largely be traced back to the growing power of insurance companies and their changing role in the process. From steering customers to specific repair shops to forcing drivers to pay out-of-pocket for costs that should be covered, the relationship between insurers and body shops is increasingly becoming one of exploitation. In this article, we'll explore the key factors contributing to dysfunction in the collision repair industry and why these practices are detrimental to both consumers and repair professionals.

1. **Insurance Companies Forcing Customers to Pay Above Their Deductibles**

One of the most alarming trends in the collision repair industry is the growing practice of insurance companies requiring customers to pay more than their deductible to cover "short pays." In the past, a deductible was meant to be the out-of-pocket cost for policyholders, which could then be covered by the insurer in the case of an accident. However, in recent years, many insurers have been offering lowball settlements, leaving body shops to shoulder a portion of the repair costs that exceed the initial estimate. This creates an unwarranted financial burden on customers who are now being forced to pay beyond their deductible to make up for the difference. Or even worse, the shop eats this cost in efforts to not uproot the very fragile relationship they have with their customers.

Insurance companies will often push these "short pays" onto consumers by claiming it's the "standard practice," even though it's an unethical move that distorts the original purpose of

insurance. Instead of paying out the full repair amount, these insurers create a financial burden on the policyholder while driving down repair costs.

2. **Illegal Steering to DRP (Direct Repair Program) Shops**

Another major problem in the industry is the illegal steering of insureds to specific Direct Repair Program (DRP) shops. A DRP is a network of pre-approved shops that work closely with insurance companies to perform repairs at a reduced rate in exchange for volume business. However, many insurers are now accused of steering customers toward DRP shops under the threat of less favorable settlements or non-coverage if the customer chooses an independent shop of their choice.

In many cases, insurance companies claim that going to a non-DRP shop will result in a delay in the claims process or even refusal to pay for repairs. Or if an insured goes to that non-DRP shop, the insurance company won't warranty the repairs even though the insurance company is never going to warranty the repairs themselves. It is the shop that is going to warranty the repairs, and I know my shop gives a lifetime warranty. This action by the insurance company gives the insured a feeling that the shop of their choice does not offer a warranty at all. These practices not only violate the consumer's right to choose their own repair provider, but also limits competition, ultimately driving down repair quality and customer satisfaction.

Here is the WI State Statue about steering:

632.375 Motor vehicle repair practices; restriction on specifying a vendor.

(2)(a) No insurer may require that...repairs to a motor vehicle must be made by a particular contractor or repair facility. For purposes of this section, a consumer has the right to select the motor vehicle repair facility of his or her choice.

(2)(b) No insurer may fail to initiate and conclude with due dispatch an investigation of a claim for repairs to a motor vehicle on the basis of whether the repairs will be made by a particular contractor or repair facility.

3. **Body Shop Labor Rates: A Steep Decline**

In the 1970s, body shop labor rates were actually higher than those for mechanic shops. Over the years body shop labor rates have stagnated or even decreased, while mechanic shop labor rates have continued to rise. In 2024, it's not unusual to find that mechanic labor rates can be double that of body shop labor rates in many areas.

This discrepancy is largely due to the power imbalance in the relationship between insurers and body shops. Insurance companies are aware of this price disparity and use it as leverage to force body shops into accepting lower payments for their services. They argue that repairs, especially those involving cosmetic work like paint jobs, should cost less than mechanical repairs, even though the work itself requires highly skilled technicians and specialized equipment.

As a result, body shops are being asked to perform highly complex and labor-intensive repairs for wages that don't even come close to reflecting the expertise and time required for those repairs.

4. **Co-pays: A Misleading and Unnecessary Expense**

Co-pays are a term traditionally associated with health insurance, but now, they are increasingly being applied to auto insurance claims, despite the fact that no such thing exists in the language of an auto insurance policy. Insurance companies are introducing "co-pays" as an additional out-of-pocket expense for policyholders, even though the policyholder has already paid for comprehensive or collision coverage.

This "co-pay" is often a tactic used by insurers to push even more financial responsibility onto the consumer. It can result in the insured paying a portion of the cost of repairs, even if the total amount is far below what would normally be considered the deductible. In many cases, the insured is left confused, as they have not agreed to or been informed about such costs during the initial signing of their insurance contract.

5. ****Blend Time: Insurance Companies' Refusal to Pay for Adequate Labor****

The issue of blend time is another glaring example of how insurance companies undervalue the time and expertise required for quality collision repairs. When repairing a vehicle, especially after a part has been replaced, the repair shop needs to blend the paint to ensure that the new parts match the rest of the car's finish. This process is time-intensive and requires a high level of skill.

Studies, including a blend study conducted by the Society of Collision Repair Specialists (SCRS), have shown that blending a panel takes 33% more time than simply refinishing the panel. However, many insurance companies refuse to cover the adequate time required for blending, forcing body shops to absorb the cost themselves. As a result, body shops are often forced to cut corners, either rushing the job or using subpar materials to make up for the lost time, both of which negatively impact the quality of the repair and the safety of the vehicle.

6. ****The Decline of Quality and Safety Standards****

The growing influence of insurance companies has also led to a steady decline in the overall quality of repairs in the collision industry. Due to financial pressure from insurers, many body shops are now having to use aftermarket parts that are of lower quality than OEM (Original Equipment Manufacturer) parts, which can compromise the safety and performance of the vehicle. Additionally, shops may be encouraged to reduce labor costs by skipping steps in the repair process or using cheaper materials.

This decline in quality isn't just an inconvenience; it poses serious safety risks. Substandard repairs can lead to faulty vehicle performance, jeopardizing the safety of the driver, passengers, and even other road users.

7. ****A Broken System: The Need for Reform****

The relationship between insurance companies and collision repair shops has become increasingly dysfunctional. While insurers continue to tighten their grip on the industry, body shops are forced to accept less pay for more work, and consumers are left with both financial and safety consequences. The collision repair industry is in dire need of reform to restore balance, fairness, and quality. Consumers should have the right to choose where their vehicle is repaired without fear of retaliation from their insurer. Additionally, insurance companies must be held accountable for paying for the full cost of repairs, including labor time, necessary parts, and proper procedures, in order to ensure the safety and quality of the repairs.

Ultimately, the broken system cannot continue indefinitely. Industry professionals, advocates, and policymakers need to come together to push for changes that will restore fairness and transparency in the collision repair process. Until then, both body shops and consumers will continue to bear the brunt of an unfair and increasingly exploitative system.

Andy Grundman

SnL's Comments

(Sue and Leah)

As we approach the end of 2024, it is a moment to reflect on our invaluable journey with the WCRP association. This community has not only provided us with a platform for professional growth but has also fostered meaningful connections that empower us to reach new heights. The strength of our networking group is a testament to the collective ambition and support we share, inspiring each member to thrive and innovate. Let us embrace the opportunities that lie ahead and look forward to being an integral part of the

transformative experiences that 2025 will bring. Together, we can continue to elevate our aspirations and create a brighter future!



Quick Tip: Manage & Measure your P&L

“Successful entrepreneurs know that the best way to predict the future is to create it.” — Peter Drucker.

The FOUNDATION
SCHOLARSHIP PROGRAM
2025





The FOUNDATION
OF THE WISCONSIN AUTOMOBILE & TRUCK DEALERS ASSOCIATION

SCHOLARSHIP PROGRAM 2025

The Foundation is committed to getting more technicians into the industry. Since 1991, over 2,500 scholarships have been awarded. If you are interested in a technician career, consider applying.

FIELDS OF STUDY

- ✓ Automotive
- ✓ Collision Repair
- ✓ Diesel * Agricultural, heavy equipment and FABCO programs are not eligible *
- ✓ Motorcycle

ABOUT THE SCHOLARSHIP

- ✓ Minimum award is \$750 per semester, up to four semesters
- ✓ Snap-on tool sets have a retail value of \$5,050
- ✓ Placement with sponsoring dealers for on-the-job training

APPLICATION PROCESS

- ✓ You are going into a scholarship eligible career
- ✓ Apply on-line
- ✓ Deadline is January 15, 2025 (no extensions are given)
- ✓ Award announcements are May – September



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The [WATDA](http://www.watda.org) works on policy and legislative matters on a regular basis. Communicating with other state associations about federal and state legislative issues is common. Below is communication about “repressed labor rates” in Massachusetts.

BULLETIN #144/2024 NOVEMBER 21, 2024

Auto Body Labor Rates Review Process Approved By Governor

Last week, the Legislature suspended its rules and approved an economic development bill, stalled from before the July 31 deadline to take up controversial matters, that included language, supported by MSADA

and the auto body repair shops association, which would address the repressed labor rate paid to repairers for insurance-paid repair work.

Yesterday, Governor Maura Healey signed that bill into law.

Section 292 of House 5100, a 319-page economic development conference committee agreement, creates a 14-person advisory board, co-chaired by the state Commissioner of Insurance and the Massachusetts Attorney General and consisting of key industry stakeholders, including a member selected by MSADA. The advisory board is directed to survey auto body shops and assess this issue, including a review of labor rates in neighboring states, Massachusetts body shop costs and labor expenses, vocational-technical school trends and work force data, insurance premiums, inflation data, and any additional information the advisory board requests. The advisory board is required to file its recommendations with the Division of Insurance and the Legislature by December 31, 2025.

This is a step in the right direction for our industry. A repressed labor rate is fundamentally anti-consumer and hinders the economic viability of the repair industry. Massachusetts has the lowest labor reimbursement rate for insurance-paid auto body repairs in the country. The national labor rate reimbursement average is almost \$20 per hour more than in Massachusetts. Our rate here is unilaterally set by each individual insurance company; as a result, the rate has seen a minimal increase over the last 20+ years.

The overhead costs of auto body repair facilities have increased substantially, without restraint, in every category of expense over the last two decades (utilities, employee costs, insurance, tools, equipment, etc.). A suppressed rate adversely impacts the vitality of repair businesses in an extremely challenging economic situation. As a result, repair shops have closed, struggled to find skilled workers, or been unable to recruit new technicians. That means vehicle owners across the Commonwealth have a difficult time finding a body repair shop that can do the work and in a timely manner.

We look forward to working with the advisory board and the Legislature to deliver real reform in this area during the next legislative session. We will continue to inform you of developments as they occur. Thank you to our members who have worked on this issue over the recent years. Your input with your legislators and the governor's office has been invaluable to effecting this progress.

Brent Kindred

Vice President

[The Wisconsin Auto & Truck Dealers Foundation](#)

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**Labor Rate
Hero Survey**



If you haven't entered your rate on
Labor Rate Hero – do it right this minute!

[Click here](#) to enter your rates

2024 WCRP Labor Rate Survey Averages



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Wisconsin Collision Repair Professionals Inc (WCRP) is a statewide trade association comprised of independent and dealer collision repair centers, technical colleges, and businesses affiliated with the collision repair industry.

Remember, it is not illegal to complete a labor rate survey. It IS illegal to agree on a labor rate and impose our collective effort to dictate the industry. A SURVEY does not do that. WCRP will always promote that an individual shop should set their individual rates based on their individual costs of doing business.

Recently we polled the members of WCRP in a Labor Rate Survey – the **average** of those rates are below:

Body Labor Rate:	\$75.40	Aluminum Rate:	\$92.60
Paint Labor Rate:	\$73.32	Paint & Material Rate:	\$55.12
Mechanical Rate:	\$123.14	Indoor Storage Rate:	\$89.25
Structural Rate:	\$100.50	Outdoor Storage Rate:	\$60.66

Our Mission

Our mission is to help provide a future for the collision repair industry. The achievement of this mission will require a shared effort by WCRP staff, officers, directors, members, elected officials, and consumers working together for continual improvement. The organization, member programs, and educational opportunities offered to WCRP members will reflect the skills and knowledge needed to work successfully in our changing world.

Your comments and opinions matter both to WCRP and its individual members. We hope you find our website useful <https://wcrp.pro/>. We welcome your comments and suggestions on how we can improve our efforts. Contact us at wcrpinfo@gmail.com or phone our office at **262.542.7707**.



**GANDRUD
AUTO GROUP**



Consumer Tip:

Please beware of the new processes used by some insurance companies to direct deposit funds to policyholders. Attached you will find a sample payment authorization and a sample direction to pay.



Payment Authorization and Consumer Electronic Signature Disclosure

Claim Number : [REDACTED]

Payee(s) : [REDACTED]

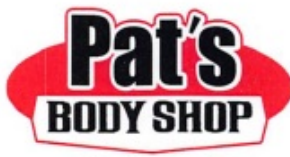
Representative Name : [REDACTED]

Representative Phone Number :

If I choose to receive claim payment(s) to my designated deposit account, I authorize the American Family Mutual Insurance Company, S.I. and/or its affiliates (the "Companies") to make electronic fund transfer deposits into my designated deposit account as an optional method of payment. I understand that any deposit made to an inactive account will be returned and reissued. I understand that if I provide incorrect deposit account information, it cannot be guaranteed that the funds will be returned and/or reissued. In addition, if any overpayment of claim benefits are credited to my account in error, I authorize withdrawal of any payments necessary in order to assure the accuracy of my eligible claim payments. I can cancel this authorization at any time by giving written notice. Any notice hereunder will not be deemed effective until the Companies have received my written notice.

CLOSE

It is important to use a Direction To Pay. Here's what Pat's Auto Body out of Wausau uses; make one of your own and start using it, if you are not already



Direction to Pay

OWNER/CLAIM INFORMATION

Name _____

Address _____

Business/Cellphone _____

Year _____ Make _____ Model _____

Insurance Company _____

Claim # _____

DIRECTION TO PAY

I authorize _____ Insurance Company to pay _____
directly on claim number _____ in the amount of
\$_____. In the event the insurance or adjustment company inadvertently mails
the settlement/supplement check to me in error, I hereby agree to notify the repair facility
immediately and deliver the check to that facility within 24 hours of my receipt of said check.

Customer Printed Name

Customer Signature

Date: 12/2/2024

Body Shop: Pat's Body Shop and Auto Sales Inc

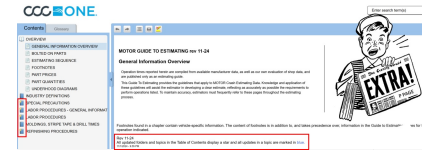
Address: 1302 South 3rd Ave Wausau, WI 54401

Body Shop Phone number: (715) 848-9153

Body Shop Contact: Andy Grundman (Owner) OR Maiya Jonas (Assistant Manager)



MOTOR has updated its Guide to Estimating (GTE) . The most current version rev 11-24 GTE can be found here [MOTOR Guide to Estimating](#)



Do you need to update your "FIND A SHOP" listing on the WCRP website? [Check here..](#)



Please consider being a sponsor for WCRP! Our Body Shop Advocate e-newsletter is sent out every month to over 550 addresses.

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KNOW OF ANY SHOPS LOOKING TO JOIN WCRP?

Forward this newsletter to them! They can click [here](#) to go straight to the membership form or they can call Deb at 262-542-7707.



Massachusetts woman says Progressive denied collision, comprehensive coverages and her claim; files class action suit



By Lurah Lowery on November 18, 2024
Insurance | Legal

A Massachusetts woman has filed a class action lawsuit against Progressive Direct Insurance Co. over the alleged denial of collision and comprehensive auto insurance coverage.

The complaint was filed Nov. 4 in Suffolk County Superior Court. It alleges unfair and deceptive business practices.

Under state law, there are only six situations in which insurers can refuse collision coverage:

[Continue reading...](#)

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Better Together.





Batenhorst: The Cost of our Silence

Nov. 27, 2024

If the only voice regulators hear is from the insurance community, don't be surprised when regulations are imbalanced and in their favor.

[Andrew Batenhorst](#)

[Nov. 27, 2024](#)



Joe Strummer, former lead singer of the punk band, The Clash, famously said, "People can change anything they want to, and that means everything in the world." In my inaugural column, I'd like to address the collision industry engagement with government regulators. I spend a significant part of my time participating in many government workshops in my home state of California, as the current and impending regulations we face as repairers are vast and widespread. There is a litany of acronyms for all the various agencies we must interface with: AQMD, BAR, CPPA, CUPA, OSHA, CDI. For most repairers, it's a frustrating mess of legalese and alphabet soup. Mix that in with the daily operation of your body shop, and that leaves most repairers deciding to opt out of participating.

[Continue Reading](#)

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Please join us for the full benefits of membership.

[Applications can be found here.](#)

Guest editorials and other submissions are the opinions of the author and may not reflect those of the organization.



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