



NOT CUSTOMARY AND USUAL? Lies & Deception

The Trojan Horse. Madoff's Ponzi Scheme. Watergate. The "World is Flat" Theory. "Banks Are Too Big to Fail!" And our all-time favorite: "Don't Do That To Your Face or It Will Stay Like That." What do they all have in common? Lies and deception.

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In the collision repair industry, there are multiple lies told every single day on each and every claim, regardless of whether it's first party, third party, cash pay, customer pay, etc. Deception is everywhere. The problem is not the lie; it is that someone *believes* that lie - in some cases, the believer is *you*. This article is going to lay out the rules and dispel the myths that have been a thorn in your side, as well as those myths you might actually believe.

A vehicle comes into your shop and you go to inspect it. You take some information and write some notes, have the vehicle taken apart and measured, check with the OEM repair procedures, finish blueprinting the vehicle, check the P-Pages, finish writing your damage report and place the report in the folder until the insurance adjuster comes. You think you have all your bases covered, and then it happens. You hear those famous words: "We don't pay for that," "We don't allow for that," "No one else charges for that," "You are the only one," "That's insurance fraud" or my favorite, "That's not customary and usual." Did you just hear that before you opened this magazine to this page? Frustrating, is it not? Well, it is basically *your* fault you hear those words and have to deal with those asinine statements. Let's define a few terms. Please read them carefully, as we will comment on each in our conclusion of the article.

Customary: Commonly practiced, used or observed.

Usual: Accordant with usage, custom or habit.

Market Area: A geographic region from which one can expect the primary demand for a specific product or service provided at a fixed location.

Fair: In accordance with the rules or standards; legitimate.

Reasonable: Not exceeding the limit prescribed by reason; not excessive, especially in price; not expensive.

Let's look at some of the more popular things that you are told are NOT customary and usual, or fair and reasonable:

Pre-Measure: Pre-measuring is not only one of the most important steps to ensure you have a full understanding of the extent and severity of the damage sustained, but it is now almost a

requirement. If pre-measuring is not performed on a collision-damaged vehicle, then multiple problems can occur. We can no longer "think" a vehicle is not badly damaged, or that it does not have structural damage by just giving the vehicle a cursory look. None of the three estimating database systems include pre-measuring, blueprinting, X-Raying, triage, structural diagnosis or any other name you may have heard this process called. Pre-measuring is so important that it should be the first line of your estimate. Pre-measuring will not only let you know if the structure is damaged or not, but some of the electronic measuring equipment can actually help you diagnose suspension damage, too. Remember, most suspension components will bend before the fracture, and many will bend due to the inertia of the vehicle.

Set-Up and Measure: By just looking at the term, you would be correct to assume that it is one process and you would be correct, but it would depend on the equipment used. Set-up and measure only applies to fixture/jig systems such as Celette, Global Jig or CarBench. These types of structural realignment equipment require a specific set of fixtures/jigs (vehicle-specific or universal) affixed to a specific area on the bench, based on a vehicle-specific set-up chart. When the vehicle is affixed to the fixture/jigs, the technician can see which points are aligned and which are not. Conversely, structural realignment equipment (such as Car-O-Liner, Spanesi or Chief) requires a three-dimensional electronic measuring device to measure the vehicle to determine misalignment. Although these systems allow multiple anchoring points, they are not at *fixed* points, unless specified for that vehicle utilizing the measuring system after the vehicle is anchored. Additionally, there is no set time to affix a vehicle to a structural realignment apparatus; it is completely dependent on the specific vehicle and type of apparatus used. Times for set-up can range anywhere from one to eight hours, and measuring can be anywhere from included with set-up to two hours.

Set-Up and Measure is a Body Labor Procedure: I always love to hear this one. This single statement tells me how clueless the person saying it is. I-CAR states that the structural repair technician "restores structural dimensions and integrity to collision-

damaged vehicles. He or she uses measuring and frame equipment to diagnose damage and return damaged frame or unibody parts to manufacturer specifications." The National Institute for Automotive Service Excellence (ASE) states that their B4 Structural Analysis & Damage Repair covers frame inspection and repair, unibody and unitized structural measurement and repair, stationary glass, welding, cutting and joining. Neither I-CAR nor ASE requires structural repair training, measuring or structural realignment for non-structural repair technicians. P&L Consultants, LLC, IACDA and Tech-ITR (among others) agree. With that said, any affixing of the vehicle to the structural realignment apparatus, measuring of the vehicle and/or realignment of the vehicle structure (inclusive of bonded stationary glass) will be performed by the structural repair technician under the Frame "F" or Structural "S" Labor Rate category.

Trial Fit Replacement Components: Labor times are based on a new, undamaged component being installed on a new, undamaged vehicle. Yeah, it doesn't make sense to us either, but we have to start somewhere, because each and every collision is different. Due to the fact that new OEM replacement components can be damaged while shipping or be slightly bent from just the forming process (even if the component is 100 percent perfect), it is going on a damaged vehicle that will have some variations and required adjustments. The three database systems allow time to remove and install the component and adjust for fit, but that is one-time-only. Trial fitting outer panels when checking alignment of inner structural components (replaced or repaired) is not included and requires additional labor time to be added.

Featheredge, Prime and Block Sand: Still not collecting for this process? Really? C'mon, man! We have written two articles on this topic! Look them up on www.grecoPublishing.com or email us for a copy of them.

Mask for Primer: This was also covered in the featheredge, prime and block sand articles. It is NEVER included in all three estimating database systems.

Blend vs. Color Tint: If you need to blend, then you do not need to color tint and vice versa. Blending is done to hide the fact you have replaced and/or repaired components adjacent to undamaged components. This would include black panels, as there are multiple shades of black. Color tinting should never be attempted. Following your paint supplier recommendations and mixing formulas, find the best possible color match and check with a sprayout/let down card. Do not attempt to alter the formula; otherwise, you create a new formula. Blending is not always required. Color mix, match and sprayout card (color tint) is always required. Additionally, color mix, match and spray out card (color tint) is listed under Refinish and Refinish Materials and must be calculated.

Color Sand and Buff: All the paint companies, Toyota, GM, Chrysler and SCRS have produced statements and explanations of the requirement of buffing vehicles. All three database systems have the same calculation of 30 percent of the base refinish hours. We wrote an article on this whole process and even offered a new calculation. Regardless, this is required and non-included, and there is a mathematical formula for it. Additionally, buffing adjacent panels, machine glazing, hand glazing and

waxing are all non-included items and materials need to be calculated.

Consumables and Shop Materials: These are never included in refinish materials! A labor dollar amount is required, or a materials calculator program is required. If you are not charging for shop materials, you are paying for all of those materials and either using them or putting them on the vehicle for 100 percent FREE!

There are about 50 other things to cover, but that would result in a novel, not an article. If you have issues with idiotic statements, drop us a line and we will try to give you some advice or address it in another article.

Remember these definitions from earlier in the article? Well, our comments are below in italics.

Customary: Commonly practiced, used or observed. *Commonly practiced among whom? Are all body shops equipped the same? Trained the same? Have the same overhead? Have the same quality? So how can something be common to two different shops? I consult for a high-end, luxury OEM-certified shop that works on vehicles that are three years old and newer. They have 40 techs in a 23,000-square-foot facility, are not involved in DRPs, are certified in every OEM with a program, have nine Celette Benches and are aluminum certified. The repair facility next door has three frame machines, no OEM certifications, about 15 techs in a 12,000-square-foot facility, works on new and older vehicles and is on 12 DRP programs. Are they the same? Is their quality the same? Should they charge the same Labor Rate?*

Usual: Accordant with usage, custom or habit. *See above, but we would like to add a comment about "habit." Collision repair facility owners have gotten into the "habit" of believing the lies told to them, so insurance companies have now taken that habit and forced it into a "common practice" or "customary" idea or way. Many of you are like lambs to slaughter.*

Market Area: A geographic region from which one can expect the primary demand for a specific product or service provided at a fixed location. *I have 12 of the same independently owned, well-known coffee chains within one mile of my house. Market research of a large cup of coffee with just cream revealed a price range of \$1.85 to \$2.15. Oh, by the way, the same guy owns all 12. Price (or, in our case, Labor Rate) is exclusive to each and every shop, provable by a mathematical formula generally prepared by an accountant, CPA or economist.*

Fair: In accordance with the rules or standards; legitimate. *Rules or standards? We know of only one state that sets rates. In most states, Labor Rate, repair methodologies and replacement components are negotiable; in other states, you cannot negotiate unless you are a lawyer. If you can prove your Labor Rate, repair methods and choice of where to obtain replacement components, you will always win your case.*

Reasonable: Not exceeding the limit prescribed by reason; not excessive, especially in price; not expensive. *Unless you have signed a contract with a DRP, this is meaningless. Remember, the insurance company lost a bet. Yes, it's as simple as that. The consumer bet that he or*

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she will be in an accident, and the insurer bet the customer will never be in an accident. Remember, an insurance company never pays a collision repair facility; they reimburse the consumer for his or her loss. You only have allegiance to your customer, not the insurance company. You both may share the same client, but you have no business together. The insurer is only there to pay the bill.

We hope this article has helped the industry to better understand what is truth and what is fiction. You may think we were a bit one-sided in this article, and we were. Next month, we will even the score. Feel free to contact us if you have any questions.

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Executive Director's Thoughts

I can see you all rolling your eyes and saying, "Not in reality, guys!" However, thinking this way is how our industry got to where it is today. I say again, REGISTER TODAY for our meeting on September 18 and see how your reality can change! - Jordan Hendler

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