



Where we've gone, where we
have yet to go

Presentation by the
Fair Trade Committee

04/17/08



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Fair Trade Topics

- Unfair Trade Practice Define 7/25/07
- Steering & Word Tracks 10/30/07
- Rate Suppression 1/17/08
- DRP Reform 07/08
- Restricting consumer choice NACE



Steering

Deceptive Referral (steering) within the collision industry is an action taken *with or without intent* which limits the consumer's right to free choice, and may result in a consumer being misled into thinking that a particular repairer, vendor or supplier must be used for repairs.



Word Tracks

A choice of shop has already been made by the consumer or is made at any time by the consumer

Fair: A word track allows the owner to go to the shop they have chosen without further discussion

Unfair: Word track that admits the owner has a choice but might reconsider if...



2004 - 2007

According to the I-CAR Ed Foundation
Snapshot:

- Technician compensation has risen 14.5%

According to a leading refinish materials
distributor:

- The cost of refinish materials has risen 23%



2004- 2007

3rd party collision industry studies show:

Labor rate increases – 7%

Materials increases – 8%

The Collision industry is currently at less than 50% of the national figures.



Foundation for DRP Reform

- The point of this discussion is not to prosecute current practices or debate current behavior.
- Intent is to develop consensus and agreement on how business should be conducted in the future under DRP.
- All practices should be in compliance with FTC, fair trade practices, and state and national consumer protection laws.
- The points also address loopholes that allow for corruption, abuse, fraud, conflicts of interest, and ethical breaches.
- Please note: In no way is this document in whole or part an endorsement or advocacy of insurance direct repair programs.



Foundation for DRP Reform

Panel Representation – July 2008

- Collision industry association
- Insurance industry association
- Insurance company representative
- Independent repair shop owner
- Facilitator



Restricting Consumer Choice

- Do it all “concierge” programs
- Bargained for insurance arrangements