

Auto Body Labor Rate Advisory Board
April 17, 2025

MINUTES

Members Present:

Michael Powers, Co-Chair
Stacey Gotham, Co-Chair
Mark Merante
Rick Starbard
Brian Bernard
Matthew Ciaschini
Christopher Stark
Peter Smith
Samantha Tracy
Paul Burke
Sean Kane
John Kwoka
David Brown

Proceedings:

Co-Chair Michael Powers called a meeting of the Auto Body Labor Rate Advisory Board, hereby known as the Board, to order at 2:02 p.m. Co-Chair Powers read the statute which established the Board, Acts of 2024, c. 238, § 292, and noted that the Board is subject to the Open Meeting Law. He then introduced each member of the Board and led a roll call vote. All Board members responded present, except Board Member JocCole Burton, who notified Co-Chair Stacey Gotham prior to the meeting that she would be unable to attend. Also present was Erin Shannon, staff of the Massachusetts Office of the Attorney General.

Co-Chair Powers explained the meeting format and ground rules for Board members. Co-Chair Gotham moved on to the next agenda item, discussing the Board's Areas of Investigation. Co-Chair Gotham stated that she was looking for opinions from Board members on each category of investigation as well as input on sources. She briefly described each area listed on the agenda, including labor rates in other states, auto body shop operating costs, total labor costs, inflation data, work force data, vocational technical school trends, and insurance premium impact.

Board members offered their feedback. Board Member Stark noted that the AIB offers estimates for insurance premium impact. Board Member Burke asked if the Board would use labor rates from other states. Co-Chair Gotham answered that employing other states' labor rates is part of what the Board is tasked to do. The Board will investigate sources for such data, she said. Board Member Stark added that for the auto body labor rates from other states, the Board will find the total labor costs in these states. He said there is vendor data available somewhere which he could look into on behalf of the insurers. Board Member Bernard suggested CCC Information Systems.

Board Member Kwoka asked about inflation data and what frame of time would be used in examining it. Co-Chair Gotham explained that the Board will look at inflation data to project what auto body labor rate costs will be in the future. Board Member Kwoka followed-up by asking if the Board will break down the labor rates by different areas of the state. Co-Chair Gotham clarified that yes, the data will be broken down by area.

Board Member Ciaschini inquired about framing current labor rates. He suggested conducting a weighted average across insurance companies to see what they pay and to compare this with surrounding states. Board Member Stark agreed and said that surveys will also help lend this guidance. Board Member Bernard advocated that the Board also consider a historical prospective regarding auto body labor rates. Board Member Starbard spoke in support of this idea and suggested reviewing reports on auto body labor rates from two previous commissions. Co-Chair Gotham said she saw no problem attaching these previous reports as appendixes to the Board's report, but she did not know if the Legislature had intended for the Board to utilize a historical prospective. She asked Co-Chair Powers for his prospective. Co-Chair Powers said he thought the more information the Board collects, the better, but he is unsure how the data would be collected. Board Member Stark said that the Massachusetts Insurance Federation has data from the National Association of Insurance Commissioners for the impact on insurance premiums since 1999. If both insurers and auto body shops supply the factual data, he said he has no objection analyzing both sides.

Board Member Starbard stated that the auto body industry has done its share to subsidize the insurance industry and the public. The auto body industry cannot equip shops and train technicians on the current rates, he said. Co-Chair Gotham said the Board can consider this and said whatever information the parties can forward to the Board will be helpful. Board members then discussed setting up a drop box or storage location for collected data and shared information so all members can review it.

Co-Chair Gotham raised the next agenda item, the Board's responsibility to create and implement a survey. She explained her understanding that two surveys will be created, one for the insurance companies and one for the auto body shops. Co-Chair Gotham described two existing survey templates, the Labor Rate Hero survey template and the Rhode Island survey, and requested feedback on these templates. She also stated that the Rhode Island survey did not have a high response rate, which the Board's survey will need to be statistically credible.

Board Member Bernard said that the Labor Rate Hero survey polled around 230 respondents in Massachusetts. For the Board's survey to reach appropriate statistical confidence level, he said, it would need about 310 responses from auto body shops. Board Member Stark stated that the insurers have significant concerns about the Labor Rate Hero survey, including that it only accounts for the posted labor rate. Instead of a Labor Rate Hero-style survey, Board Member Stark said the insurers would advocate for a survey more similar to the Rhode Island survey, which would include posted rates, contracted rates, and paid rates. Board Member Bernard responded and said the Board should focus on identifying posted rate or market rate.

Co-Chair Gotham said that she is looking for suggestions about why one survey is preferable to the other. She suggested that insurers and auto body shops advocate for which style they prefer at the next meeting, and then the Board would take a vote. Board Member Burke asked if the Board's survey will also take time for repairs into account. Co-Chair Gotham responded that the Board could discuss that, but by collecting required labor rates and total labor rates, there would already be some consideration of time just by looking at both of those measures. Board Member Ciaschini then suggested that there should be education for the Board about how labor rates are paid, how shops collect them, and how they are charged. He explained that auto body shops use a mutual database. Co-Chair Gotham said both the auto body shop and the insurance company representatives would be welcome to educate the Board at the next meeting. Board Member Starbard added that no matter where a car is repaired, the labor times are the same.

Co-Chair Gotham moved on to the following agenda item: the timeline of the survey. She said that she hoped the Board could decide on the survey's format at the next meeting. Board Member Smith added that the Board does not have a lot of time and stressed that is critical the Board move quickly. Co-Chair Gotham agreed and proposed that both the auto body shop and insurance company representatives take 10 minutes each at the next meeting to make their recommendations for the format of the Board's survey. The Board briefly discussed what types of documents should be circulated among Board members and how to do so. Board Member Kwoka suggested putting existing survey templates in a drop box for Board members to review. Board Member Stark said the Board needs to be careful of Open Meeting Laws when soliciting information. Co-Chair Powers agreed, saying that any requests for information to various parties should disclose that anything they send becomes public record. Co-Chair Powers then discussed the next agenda item: planning a meeting to hear public testimony. He explained that he has reached out to State Representative Murphy's Office to see if the Board can reserve a room at the State House. Co-Chair Powers said he hoped they would have a specific date by the Board's next meeting. The Board then scheduled its next meeting for May 5, 2025 at 2 p.m.

Co-Chair Powers offered brief closing remarks and answered two questions from the public which had been submitted via Zoom's Q&A function. With no further business to be discussed, Co-Chair Powers asked for a motion to adjourn the meeting. Board Member Stark motioned to adjourn, and Board Member Smith seconded the motion. The motion passed unanimously by roll-call vote, and the meeting was adjourned.

Documents relied upon for this meeting:

Agenda – April 17, 2025