

To Whom It May Concern,

I am writing on behalf of the registered auto body shops throughout the Commonwealth of Massachusetts, shops that have been fighting to survive under a labor rate that has barely moved in more than 30 years. Before anything else, I want to be extremely clear about the core issue here: **a fair and realistic labor rate for 2025 is not optional anymore.**

Massachusetts is one of the most expensive states in the entire country to run a collision repair facility, yet we are still operating under a reimbursement structure that was never updated to match today's economic reality. The national average reimbursement rate is already over \$80 per hour and even that figure is low because many shops are afraid to report honestly due to insurer pressure. When you adjust national and state data to match the true cost of doing business in Massachusetts, the sustainable rate comes out to around at least **\$110 per hour minimum**, and closer to **\$122 per hour** for shops with OEM certifications, advanced equipment, and the training required to repair modern vehicles safely.

This is not speculation it is straightforward math and basic business economics. Anything below those numbers is not sustainable, not fair to technicians, and not safe for consumers. Collision shops are the only skilled trade in the state where insurers still dictate what our labor is "worth," while we hold 100% of the responsibility and liability for the safety of the repairs. We are not asking for anything extra, we are asking for what every other skilled trade already receives: a realistic, competitive wage structure that reflects Massachusetts' cost of living and the complexity of today's vehicles.

At the recent hearing at the State House, our shop closed for the entire day so our entire team could attend. We listened to testimony, shared our own, and witnessed firsthand the overwhelming evidence of an industry on the brink. I personally provided testimony at the previous meeting.

To further illustrate how unfair and inconsistent the current system is, here is a real example from our shop. We repaired a 2024 Honda Accord with significant suspension damage. Despite having the training, equipment, and capability to perform the repair correctly in-house, the insurer refused to pay our mechanical labor rate. So we scheduled the work at our local Honda dealership and the insurer didn't hesitate for a second to pay the dealership's much higher mechanical labor rate. **How does that make sense?** Insurers willingly pay dealerships two to three times what they refuse to pay qualified, legally registered collision shops performing the same OEM-standard repairs.

Another moment that spoke volumes came from your own Board. During a virtual meeting, a Board member said, while discussing hiring a scribe: "*What do you think, we could hire a grad student for \$40 per hour? That's cheap labor.*" If \$40 per hour is "cheap labor" for clerical work, then how can anyone justify paying collision repair professionals; who work with structural

integrity, safety systems, advanced ADAS technology, and OEM procedures, anything close to that amount?

This is exactly why Massachusetts collision shops are struggling to survive. We are operating in a high-cost state with a low, outdated labor rate that does not reflect the cost of equipment, technology, training, or even basic overhead. Without a substantial, immediate labor rate adjustment, more shops will close, repair quality will suffer, and consumers will pay the price, both financially and in terms of safety.

I strongly urge the Board to set a fair, market-driven labor rate of at least \$85.00 per hour that reflects the realities of 2025, not 1989. The survival of our industry and the safety of every driver on Massachusetts roads depends on it.

-Casey Sullivan

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