

DelGallo Recommendation

First I'd like to **thank you all** for participating in the auto body labor rate review board and the time you have spent in the process. Although I do not believe any state agency has a right or the power to set any rate paid to workers or industries. At least we're talking about it.

Fair labor rates matter for Massachusetts drivers as well as following and mandating that OEM procedures be followed just as stated in the CMR's. 211 2.04(e) to be specific. This ensures the vehicles being placed back on the road are safe for the occupants of those vehicles in the case of a subsequent accident as well as any other vehicle and its occupants involved.

Consumers in Massachusetts often assume that insurance companies, referral programs, and the ADALB are ensuring safe repairs. Unfortunately and sadly that is not always the case, and consumers are the victims. We are more than collision technicians, we are electricians, plumbers, glass installers, welders, chemists mixing multi-layer paint systems, HVAC specialists, ADAS techs, and finally mechanics. All this at a virtually frozen and antiquated rate. The prevailing rate is a catch phrase utilized by insurers. The prevailing rate is what consumers will pay for out of pocket similar work paid by insurers. Self-pay repairs. My shop charges, and has been paid by Mass based insurers what we charge the general public for late model automobile repairs.

We also have the privilege of repairing classic and antique vehicles involved in insurance paid claims which is substantially more per labor hour.

OEM procedures are the only standard that can guarantee safety. We are mandated to return vehicles to a safe, pre-loss condition.

We are legally required and must follow manufacturers procedures, which dictate;

What parts must be used

What parts cannot be reused

How structural components are welded or bonded, or both

How many welds, what type and where

What materials are allowed (some OEM require a specific wire for welders)

What calibrations are necessary for ADAS and safety sensors

And if you ignore any of those due to trying to beat a clock or the rate is substandard, you could be potentially putting a time bomb back on the road, which places the repairer, not the insurer in legal trouble.

The labor rate in Massachusetts has not kept up with technology.

For over 30 years the rates in this state have barely moved. I personally have been involved in a few of these exploratory committees going back to the early 2000's and earlier.

Labor rate review boards set up to discuss rates with nothing ever materializing.

Every time, we as an industry have been out spent and politically out maneuvered by insurers and politicians.

Constant lip service and no movement.

When I began my business we were at 32.00 per hour, as were the mechanics. Mechanics are now receiving rates of \$180.00-\$200.00 per hour to the business, which incorporates the hourly pay to the techs, as well overhead, equipment and facility upkeep and a profit margin for that business owner. This is why the autobody industry loses the opportunity to attract qualified employees. nAnd really, do want a tech welding a structural component on your son's or daughter's vehicle to be more concerned with the quality of the welds, or trying to beat a clock in order to be profitable? Think of that outcome. You could have had a competent welder but he or she was lost to a construction company. The rates paid in Massachusetts remain among the **lowest** in our region. We have one of, if not the highest cost of living. Keeping up with OE required equipment and training has become significantly more expensive with every new model released, while labor rate of reimbursement is almost stagnant.

Insurers do not repair cars and if they were held responsible for their referral shops repairs you can be assured things would change, but they hand the liability over the shops owners. Even though insurers heavily influence the repair process they do not certify safety, they cannot dictate to a shop to deviate from OE procedures, and they are not responsible for that final repair.

The shops repair cars!

Your safety depends on proper repairs.

Labor rates paid for quality workers and OEM procedures will ensure the motoring publics safety. They ensure your airbags deploy correctly, crash sensors will function as designed, structural components will protect you in another accident, and your warranty will stay intact.

In Massachusetts you have the right to a safe, OEM compliant repair-no matter who pays for it.

We follow factory procedures because your life, your family, and your future safety are worth doing the job right!!

I apologize for the long letter, however I have heard the same rhetoric for decades and my industry is going to raise the rates with or without the states help. But we know the playing field is NOT equal and insurers steer policyholders to preferred shops. We've repaired the poorly repaired vehicles and received compensation at OUR rate, and we have also totaled them due to being unsafe and unhealthy.

Thank you for your attention. Feel free to contact me.

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