

Full Recommendation

To: Chairs Gotham and Powers and Members of the ABLRAB

Date: November 17, 2025

Subject: Recommendation for a Fair and Equitable Labor Reimbursement Rate

Introduction

This recommendation is based on testimony, evidence, and discussions held during the ABLRAB public hearings and open meetings. The Board agreed not to rely on historical labor reimbursement data due to decades of documented rate suppression in Massachusetts. Instead, the goal is to establish a **fair competitive market rate reflective of today's economic conditions.**

Premise for the Recommendation

1. **If the collision repair industry did not currently exist Massachusetts, then:**
2. As a newly reestablished industry, collision repair facilities must be able to **compete with comparable skilled trades** regarding wages and benefits.
3. The fair and prevailing rate must reflect **open market competition** and **not contractual agreements** established under insurer influence.
4. **A reasonable return on investment (ROI)** is necessary to support equipment purchases, technology upgrades, training, and workforce development.
5. Any recommended rate must include a mechanism to **keep pace with increases in the Massachusetts CPI.**

Current and Verified Labor Rate Data

1. **National Average Labor Reimbursement Rate:** \$81/hour
 - Based on 8,020 responses from the National Auto Body Research (NABR) survey as of November 16, 2025.⁴
2. **National DRP Average:** \$69/hour³
3. **Massachusetts Survey Average:** \$67/hour
 - From approximately 500 collision repair facilities responding to the ABLRAB survey.

Note on Data Distortion (“Fear Factor”)

Although the National Auto Body Research (NABR) places the current labor rate reimbursement at \$81/hour, though this figure- along with the DRP and Massachusetts data- is likely suppressed due to insurer influence and fear of insurer retaliation, coupled with the longstanding insurance industry “prevailing rate” misrepresentation being set by contractual arrangement.

Economic Adjustments for Massachusetts

Massachusetts is **the second-most expensive state in the country to operate a business**, second only to Hawaii.¹

Using a baseline national cost index of 100%, Massachusetts carries a cost index of **approximately 150.8%**, reflecting its elevated economic environment.²

Rates Adjusted to Massachusetts Economic Conditions

Applying the 150.8% index:

- National Average Adjusted: **\$122.15**
- DRP Average Adjusted: **\$104.05**
- Massachusetts Survey Adjusted: **\$101.04**

Average of Adjusted Rates: \$109.08/hour

This represents the minimum economically sustainable reimbursement rate.

Recommended Reimbursement Structure

1. Minimum Base Rate for All Legally Registered Collision Repair Facilities should be no less than \$109.08 per hour.

2. Rate for Certified / Advanced Facilities

Minimum of \$122.15 per hour, with further upward negotiation based on an individual collision shops demonstrated business costs and certifications.

Implementation Timeline

Within 30 days of ABLRAB submission:

Raise the minimum reimbursement rate to **\$81/hour**, equal to the national average.

Beginning with Years 2–3

Incrementally increase rates to reach **\$109.08–\$122.15/hour**, with increases indexed to the Massachusetts CPI.

Ongoing

Future reimbursement rates must be adjusted annually based on the **Massachusetts CPI**, ensuring that labor rates remain aligned with real economic conditions.

Conclusion

A recommendation that does not substantially increase the labor reimbursement rate in the immediate term will undermine the purpose of this Advisory Board, making its creation and years' worth of efforts an exercise in futility, sadly following in the footsteps of two previous labor rate commissions. Premium increases by insurers are inevitable regardless of the Board's actions; the Board's obligation is to **protect consumers, ensure repair safety, and restore viability to the collision repair industry** in Massachusetts, and not the special interests of the insurance industry! *One has to ask, “What is the “premium” value of a catastrophic injury or death of a motorist?” and “Where and whom do you want repairing your collision damaged vehicle?”*

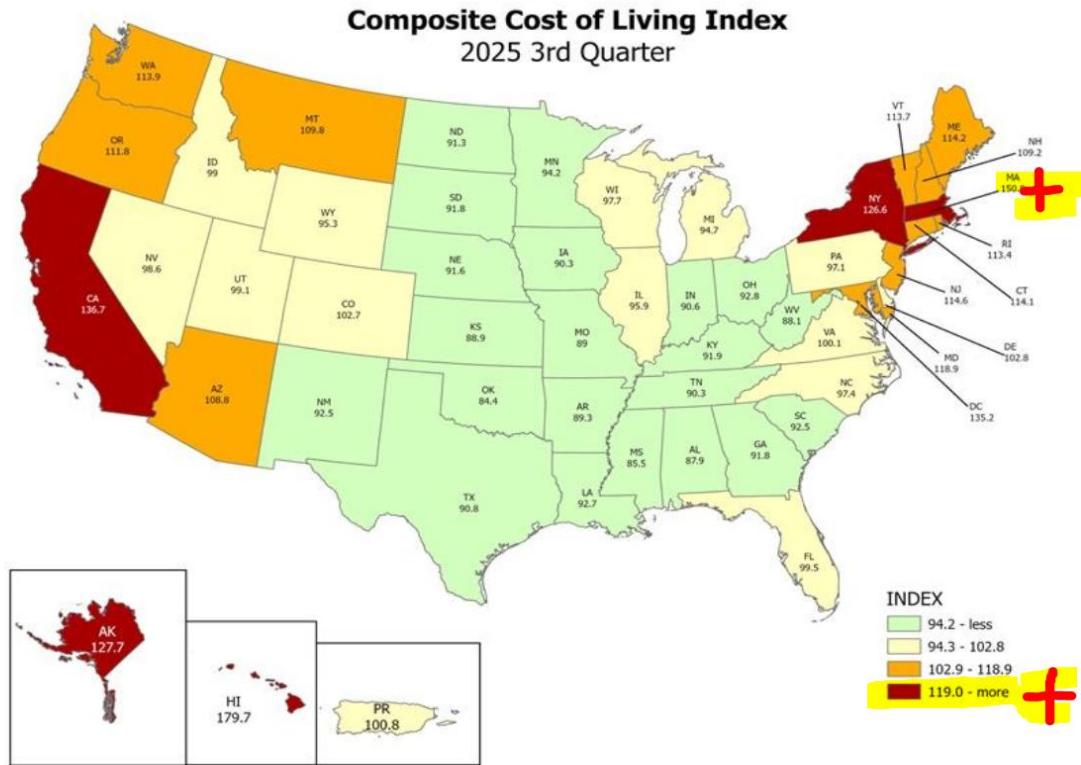
Additionally, one must ask, *“Why are collision repair facilities and their technicians being discriminated against?”* Under the Massachusetts Equal Pay Act (MEPA) which was originally created to protect against gender bias and has since been expanded upon: *“Comparable work”, work that is substantially similar in that it requires substantially similar skill, effort and responsibility and is performed under similar working conditions; provided, however, that a job title or job description alone shall not determine comparability.”* As I have asked this advisory board to consider, “What is the difference between the retail labor rate for turning a 10 mm bolt in a mechanics shop vs a collision repair facility?” The answer is a resounding “NONE” only the unfair influence the insurance industry

has because of the “monopsony” environment they have created. The key effects of “monopsony” are: PRICE/WAGE setting: the single buyer, the insurance industry in this case, has significant power to set prices, for the goods and services they purchase, lower than what would occur in a competitive market. This ultimately leads to economic inefficiency and can harm sellers and workers as it has clearly done here in Massachusetts.

The Board must reject the insurer-driven fear narrative that has dominated the past four decades and instead adopt a data-driven approach that supports the long-term health and availability of safe and proper collision repair services for Massachusetts residents.

Endnotes

1. **Cost of Doing Business Ranking:** Massachusetts is ranked among the most expensive states for business operations. As reported: <https://meric.mo.gov/data/cost-living-data-series> which shows the following for the 3rd Quarter of 2025.



2. **150.8% Cost Index:** Several national cost-of-living and cost-of-business analyses place Massachusetts at approximately **150.8 % of the U.S. average**, indicating substantially higher expenses for labor, real estate, taxes, and utilities relative to national norms (2025 aggregated data from cost-of-living index providers)

2025 Quarter 3 Cost of Living

50	California	136.7	107.5	181.8	144.9	136.2	104.1	115.3
51	Massachusetts	150.8	102.4	232.9	155.4	105.9	133.9	117.3
52	Hawaii	179.7	130.5	298.6	185.3	137.8	128.1	120.1
**	U.S.	100.0	100.0	100.0	100.0	100.0	100.0	100.0

3. **CRASH NETWORK and CCC info services Q1-2025**

4. NABR:

8020 Shop(s) in Entire USA that meet or exceed the selected search criteria.

All Shops

OEM Certified

	Body \$/hr	Refinish \$/hr	Frame \$/hr	Struct \$/hr	Alum Body \$/hr	Alum Struc \$/hr	Mech \$/hr	Paint Matl \$/hr	Pre- Scan	Post- Scan
Highest	330	330	330	330	9999	9999	385	180	15000	1710
Average	81	81	110	105	118	130	149	56	114	118
Lowest	42	27	30	45	10	48	50	15	0	0

Survey results for November 16, 2025, 9:21 pm MST

Executive Summary

Based on testimony, survey data, economic analysis, and deliberation, the Advisory Board should recommend a **minimum collision repair labor reimbursement rate** in Massachusetts of **no less than \$109.08 per hour**, with a higher-tier rate of **\$122.15 per hour** for facilities that maintain advanced equipment, OEM certifications, or elevated training standards.

- National survey data (NABR) places the current average labor reimbursement at **\$81/hour**, though this figure—along with DRP and Massachusetts survey data—is likely **suppressed due to insurer influence and fear of retaliation**.
- Massachusetts is, second only to Hawaii, the **most expensive state in the country** for operating a business and carries a **cost index of approximately 150.08%**, necessitating adjustment of national averages to accurately reflect economic reality within the Commonwealth.

- When adjusted to the Massachusetts cost structure, national, DRP, and Massachusetts rates average **\$109.08/hour**, which represents the minimum sustainable labor reimbursement rate for a viable collision repair industry.
- Implementation should follow a phased approach:
 - **Year 1:** Increase the minimum rate to the national average of **\$81/hour**.
 - **Years 2–3:** Incrementally increase rates to reach **\$109.08–\$122.15/hour**, indexed annually to the Massachusetts CPI.
 - **Ongoing:** Annual adjustments should follow the **Massachusetts CPI**, ensuring long-term economic sustainability and preventing future rate suppression.

This methodology ensures transparency, fairness, and a data-driven approach, and protects consumers, workers, and the long-term viability of the Commonwealth's essential collision repair sector.