

November 2025

TESTIMONY and PROPOSAL

TESTIMONY:

To Advisory Board,

My name is Ryan Blanchard. Currently I work as a Massachusetts Licensed Shop Appraiser at Annisquam Auto Body, in Gloucester MA. I am 42 years old, and a 2007 Graduate of UMASS Boston where I majored and obtained my degree in Sociology. I have a passion for working with the General Public.

Formerly, I worked in the medical field as a Manager of a Blood Plasma Donation company which had 32 centers Nationwide. Over 8 ½ years of employment, my work with this company brought me to residencies located in 5 different States including Florida, Texas, Minnesota, Kentucky and Illinois.

I made my way back to Massachusetts in 2016 after the company was bought out. When I moved back home, I had a little bit of culture shock after being away for so long. Mainly, I was AMAZED at just how **expensive everything was** compared to where I had been living. Housing/rent was as much as 3-4X as costly compared to the other States in which I had lived. Utilities and everyday necessities like household goods, food, and gas were pricier as well. I had a friend who set me up with an interview and I was able to land a job as a Quality Control Inspector for an Aerospace Company and earn a decent salary so that I could afford to live here in my own home State.

While employed in aerospace, I was able to receive advanced training and earned a programming certification. I was 1 of 2 employees capable of writing programs used to measure the dimensional accuracy of our machined parts. I had a nice healthcare package, 401K, and I was earning money toward a pension when I retired. Things were good, but then came the Covid-19 Pandemic, when everything changed for everybody. I, along with many people at the time, faced a lot of uncertainty about the future. I lost my job due to downsizing during the Pandemic, and bills were piling up.

As luck would have it, I was offered the unique opportunity to start a new career in a family-owned business that gave me the freedom to start a family of my own. I now have a 4 ½ year old son, and my wife and I recently had a daughter who is now just 3 months old. Our family and business partner recently took ownership of Annisquam Auto Body after the

previous owner passed away due to covid and his son retired from the business. The decision did not come without risk.

After taking a deep dive into the books and looking over the Insurance Claim Repair history, we discovered that Annisquam Auto Body was on multiple Insurer “referral shop lists” and for years would only take what the Insurer was willing to pay. There were practically no concessions on labor rate (which has remained largely the same since the 1980’s, with very little increase), and estimates were written with hardly any non-included operations. This was alarming. The previous owners would never take a penny more than the Insurer would dictate. This turned out to be a bad business model. The shop hadn’t been making money for a very long time because they were exploited for years by Big Insurance. The numbers were not good. Clearly, the Insurers did not care because the poor shop revenue meant more Profit for them. This was Not an equitable relationship.

I vividly remember a conversation I had with an Insurance Appraiser when I first started working at Annisquam Auto Body. After introducing myself and telling him a little bit about my background story and how I ended up being an Appraiser for my shop, he said to me, **“What the Heck are you doing getting involved in this business? You should be doing something else. Anything else. There’s No money in it, not with what we are paying you! I don’t know how you guys are still doing it.”** He thought I was CRAZY! He told me that he used to operate his own shop but was forced to close the doors and seek employment with an Insurer because he couldn’t afford the overhead, and he couldn’t even find, never mind hire, ANY skilled workers to support his business.... He was breaking his back to live in the red and was in debt. As much as he hated to do it, he had to close the doors and seek out employment elsewhere.

Once a small business owner running his own shop, he was now forced to become an employee for Big Insurance. The same Big Insurance who’s stagnant, unfair, and unreasonably low collision damage repair labor wage reimbursement to consumers, likely played a HUGE factor in his inability to continue providing a much-needed service for his community. In fact, this was Exactly what he told me caused him to shut down the business and sell the property. Unfortunately, there were not many options left for a man of his age, so he went where the money was so that he could have healthcare, a 401K, paid time off, and other benefits. This is the same story as the previous owners at our shop, and I’m sure the same goes for many other former shop owners in the Commonwealth. Annisquam Auto Body, a pillar in our community since 1969 **was essentially Paying to repair their customers vehicles, as it turned out.** What a tragic irony.

Over the past 3 months, I’ve come to realize just how fragile our business really is. Besides myself, we only have 3 other full-time employees. If 1 person, God forbid, falls ill

or has any kind of serious health problem, that could mean the complete collapse of the business. And we are not alone. Most, if not all the Independent Body Shops in Massachusetts cannot afford to have any kind of employer offered healthcare plan for their families, never mind any superlatives such as an employer matched 401K, or a pension fund like other Industry businesses can offer their employees, or like Big Insurance offers theirs. If you were a recent high school or college graduate, or if you were looking to learn a trade so that you have a steady profession to put food on your family's plate, or maybe so that one day you could own your own business, like that Insurance Appraiser asked me, why would you ever want to work in this Business? Without new blood in the field, the field will dry up. Then what happens next?

When that Insurance Appraiser asked me why I would ever work in this industry, the answer to that question was simple, **if not me, then who?** I am exactly the type of person this Industry needs to be able to attract and retain. A hard-working smart Professional with Business acumen who has a passion for working with and assisting the public. I genuinely feel that a person's vehicle is one of the most important pieces of property they own and has a direct implication of the kind of life they live. Without a vehicle people can't get to work and earn a living. They can't get to the hospital or Drs. appointments, they can't go food shopping, they can't pick their kids up from school or take them to their sports games, practices, or after-school programs. A person's vehicle is a direct part of our socio-economic lifestyle. That fact is amplified and can have a negative ripple effect on many when a person loses their vehicle to an accident for any amount of time.

Since I've taken some personal time to bond with my newborn child, Insurance Claim, "Short Pays" and outstanding "Supplements" have been piling up at the shop. 100% of initial estimates given to us by the claimant when they drop their car off require a supplement. Multiple supplements must keep being submitted on each claim for items that should have already been "reasonably anticipated" such as Labor wages, Paint and Materials reimbursement, Calibrations, and/or OEM Repair Procedures. We then request a supplement to "negotiate" with the Insurance Appraiser, and the very 1st thing that they say when they meet with us to discuss the Repair Plan is that they, **"can't do anything about the labor rates."** Followed by "we don't pay for cleaning (etc.)," and "we only pay __ for Paint and Materials," and "this __ is all we pay for Scans and Calibrations," or "we don't pay mark-ups on__." It doesn't matter if we have submitted Sublet or Retail Invoices. It doesn't matter to them what the Manufacturer of the vehicle states is a mandatory procedure following any collision. It doesn't matter what the CMR's state or what the Advisory Rulings are. Repair inspection and supplement timelines are ignored. Sometimes it takes WEEKS to receive Supplements back. When we finally get them back they are severely underwritten. It doesn't matter to them that we are an Independent Body Shop, removed

from all of the Insurer's "referral lists" and not financially contracted by the Insurers or forced to accept their internal rates or policies. These Insurance, and Independent Appraisers representing the Insurer, are knowingly Dictating the reimbursement and not negotiating in good faith. They themselves know that the internal rules imposed by the people in power within the Insurance bureaucracy are unfair and unreasonable. Just like that Insurance Appraiser said to me, "**I don't know how you guys are still doing it," "not with the rates we are paying you!"**" But they are more worried about retribution and retaliation from their own company and getting fired than they are about following the Rule of Law, the Conduct Governing Appraisals, not violating policyholder contracts, or approving OEM procedures that are required for safe and proper repair, all of which could cause them to lose their License. They say that that is the risk they take, but they refuse to "bite the hand that feeds them," as one Appraiser put it, and they are confident that nothing will happen to them because the army of lawyers at the Insurance company will have their backs.

Insurers will NEVER PAY their fair share unless they are forced to in the Court of Law. Make no mistake about it, this is the main component of the systematic scheme implemented by Big Insurance backed by teams of lawyers. They know the more they "delay and deny," the harder it is for the shop and the customer to keep up, and eventually they will just quit chasing the rightful money they are owed from work performed. It becomes a giant rabbit hole that few can afford to spend even more unpaid man hours going down. Nobody in this industry can afford to take an insurer to court on every "short pay" due to the sheer amount of time and effort it takes, plus the lost revenue from the diverted time that needs to be concentrated on other current claim repairs/jobs at the shop.

These outstanding amounts are substantial, and **they cause substantial loss and damage to the business.** On a \$3,000 3rd party claim repair under Part 4 of the Auto Damage Insurance Policy "Damage to Someone Else's Property," an Insurer may only pay around \$2,000 due to suppressing the labor rate and other needed procedures, P&M etc. etc., leaving a remaining balance due of \$1,000 even when the MINIMUM COVERAGE REQUIRED BY LAW under this part is \$5,000 (this figure has just recently been changed to \$30,000 in July 2025). We have multiple claims like this currently open right now at our shop, and this consistently happens on every claim repair time and time again. **These "Short Pays" add up Fast!** The backlog of these outstanding "short pays" severely impedes our ability to conduct business and provide a safe repair to a vehicle in a reasonable amount of time. And the vagueness within the policy language keeps letting Insurers weasel out of paying what is owed in full without having to go to court every time. For instance, the language in Part 4 of the Policy states, "The damages we will pay are the

amounts that person is legally entitled to collect for property damage through a court judgement or settlement.” What the insurer hears is that **“we don’t have to pay the full amount, even though have a stated sum on your policy, unless the court makes us pay it.”**

Then there is the RTA clause. The LAST thing a consumer wants to be involved in is something that causes more delays and money to come out of their pocket without a guarantee that they will get it back. So, who is on the hook on both ends? The Body shops are the ones that get stuck in the middle in an impossible position. On one end, we risk alienating and losing business from customers for not just agreeing with what the Insurer shovels out, or we are the ones that must charge the customer an additional unnecessary Co-Pay and risk repeat business or our reputation in the community. We are the ones that must get the customer to Assign their Rights over to us and delegate administration time to write 93-A demand letters or pursue action through the courts. We are the ones that must ultimately have to hire a Lawyer if a court claim gets moved out of Small Claims Court. We are the ones that must store the customers’ vehicle on our property while the RTA process is ongoing. This means that we are the ones that lose additional revenue because we can’t intake another vehicle or start another job because the customers’ vehicle taking up much needed space in our shop or in our lots. We are the ones fielding multiple phone calls, sending and receiving emails, and coordinating and scheduling when we are already understaffed. We are the ones that may have to eat the outstanding repair costs that we rightfully earned. We are the ones with Bills piling up and vendors needing to get paid. We are the ones that may have to activate the Mechanics Lien and hold the customers’ vehicle hostage until payment is made. We are the ones that take the heat! This heat has been burning us for far too long. The system is Rigged against us and everyone knows it. Time to turn up the heat on Big Insurance!

There is no possible way to chase down all the lost revenue and keep up with the workload when we can’t hire and retain new employees. 1 Painter, 1 Body Tech, 1 Appraiser and 1 Admin.... That’s it. That’s all we currently have. That is not right. We can’t hire skilled workers because there are none. We can’t attract workers like myself because I am an anomaly. We can’t take time off to spend with our families because we need to keep worrying about the necessities of life and keeping our business afloat. And our current workers are only getting older. Independent Body shop owners and employees deserve to have a good quality of life as well. We deserve to be able to afford to offer 401 K benefits or Pensions to our employees like other industries such as aerospace, medical, and Insurance offer theirs. We need to be able to offer employer sponsored health plans, especially considering the Hazardous Materials we work with every day. We need to be able to afford rent and utilities, insurance and new equipment especially with how

expensive things are here vs. in other states in which I have personally lived. We need to be able to dedicate our time and resources to completing a safe repair for our customer and our next customer, not chasing our tails trying to get paid for work we have already done. We deserve to be paid in full when the job is completed or before. All this overhead and repair time delays can be fixed with a Fair and Profitable Labor Wage Reimbursement by Insurers.

While sitting in on, and listening to the Labor Rate Advisory Board Hearings, I am very concerned that our whole Industry in Massachusetts is teetering on the brink of collapse. I am worried that our business won't be around to pass on to my own kids when it's time for me to retire and keep the tradition of a family-owned business alive. Within the next 20 years, probably more than half of the shops currently open will be closed, and very few if any, will be opening their doors as new businesses unless something changes RIGHT NOW. We have that chance to make a difference! Consumers who open claims with their Insurers need to be able to pay the Body shop of their choice in full for the labor required to fix their vehicles properly and safely without pushback or having to jump through hoops or being forced to Sue the Insurer. Consumers need our help. Body Shops need help. And our future as an Industry depends on the decisions we make TODAY!

As mentioned before, all it takes is 1 workplace injury, or 1 employee family member to get sick, and many of the shops will have a very hard time remaining open. This becomes a very BIG problem, not just for individual shops, but also for consumers. Less shops, or shops taking less (and in turn doing less), will lead to consumer safety issues of a magnitude that we can't imagine, especially with the advanced technology these vehicles today are equipped with. And we all know that technology is advancing at an exponentially fast rate. We need to be able to keep up with these trends without having to worry about being buried in overhead and burden. We are already seeing electric vehicles improperly repaired malfunction and cause severe damages, injuries, and death to their occupants, other drivers, and bystanders. Body shops need to be able to attract, hire, train, new employees, upgrade facilities and equipment, and offer retraining and new training to current employees so that we can keep up with the trend. We can't afford to skip a paycheck or shut down the shop and lose revenue completely just so that we can attend advanced training or continuing education for certifications. Too much has already been sacrificed, and the Safety of our drivers and our pedestrian bystanders should also be considered a main priority.

Massachusetts is where the population and the money is. Massachusetts is the Insurers "Honey-Pot." This is why they have fought so long and so hard Not to raise the minimum reimbursement wages. The average of \$45/hr. is what Insurers think is more than

we deserve. The truth is that \$45/hr. is Blood Money, plain and simple. The systematic oppression of labor wages in Massachusetts have caused small business to close, have forced young and old workers into different industries and dried up the workforce, it has severely limited the growth of those shops remaining where some owners have literally had to make life or death decisions, and it has negatively impacted the safe repair quality and put our citizen drivers and pedestrians, and bystanders at risk of physical harm. Everything is interconnected, and Big Insurance continues to RAKE in Disgusting Profits off of our blood sweat and tears. Billions upon Billions of dollars each quarter. In the 3 months of Q4 2024, 1 Insurer (Allstate) made \$1.9 Billion dollars in PROFIT!!!! Stupid money. That's probably more than all the shops in Massachusetts put together profited in 25 years! Additionally, the Policy itself that is under attack by insurers who prey upon consumer Ignorance. This is something that really has to be addressed if proposed changes are made. There needs to be some kind of safeguard to protect consumers and their chosen Body Shops on retaliatory efforts by Insurers to under-reimburse if the minimum labor wage reimbursement is changed.

Massachusetts should be the Rule, not the exception, when it comes to setting the standard nationwide especially as the Top 3 Highest cost of living in the entire USA. Our very existence was founded on the principles of freedom and independence and breaking away from an oppressive ruling class in order to pursue the American Dream. We as small business owners in the Auto Collision Repair Industry deserve to have the luxuries afforded to other Industries, and that can only happen with Real Change NOW.

PROPOSAL:

#1) Based on NABR (National Auto Body Research) compiled data shows that within the United States the overall average of all 50 States is \$76/hr for Body work and Painting with a High mark of \$117/hr.

The reimbursement wage **was \$40/hr** at the time the Insurance Reform Act passed in 1988.

BASED ON NABR's NumberNerd LABOR RATE INFLATION CALCULATOR and the US Bureau of Labor Statistics CPI Calculator

1988- Current November 2025 = \$109.82 dollar for dollar

To avoid this crisis arising in the future. This \$109.82 should be adjusted based on the Inflation Rate year after year to keep pace with ever increasing costs of doing business.

This figure is still less than the average Mechanic wage of \$150/hr. here in Massachusetts.

Based on National averages nationwide, I feel this is an acceptable start.

#2) I am worried that business is fleeing the Commonwealth and jumping borders into neighboring states to have work done, and to open Shops where reimbursement rates are much higher.

Our absolute minimum labor wage for Bodywork and Painting should be substantially more than that of New Hampshire, Maine, Connecticut, New York, and Rhode Island in order to retain business and taxable income in the Commonwealth, recruit repairs of vehicles on border states, attract a work force, and encourage more small business owners to open shops in our state to take the place of those retiring out and closing their doors.

#3) There needs to be an effort to limit retaliatory efforts by insurers to under-reimburse claims in other areas such as Calibration Sublet Rates, or Paint and Materials, and non-included operations required.

We are already starting to see potential Anti-trust violation efforts concerning the suppression and standardization of costs and rates associated with Scans and Calibrations.

P&M reimbursement language should be changed to state that they will pay ACTUAL Retail Prices of Taxable material transferred to the vehicle with an Invoice from supplier and the same goes for non-taxable consumable goods required to apply said material upon negotiation.

These are proposals that I feel need to go hand in hand because we all know that they are going after these items next.

The Auto Damage Insurance Policy itself needs amendments and changes.

Part #4 Should have language changes to redact and change the “Court Judgement or settlement” language. This part literally gives insurers the idea that they can do whatever they want unless they are made to do otherwise by the courts.

The stated rate of Reimbursement should be included in the actual policy and not distributed by some flyer the Insurer sends out to the customer after the fact (the tactic they now use to steer customers to their referral shops).

IN CONCLUSION:

I would like to Thank you for listening to our stories and making Positive actionable changes that will have widespread implications for our industry if these proposed changes are adopted. It will make things so much easier when dealing with insurers on behalf of the consumer and will help Body shops get paid for their work. We can no longer afford to work for free or essentially pay to work on an Insured's vehicle, and we cannot keep "Robbing Peter to pay Paul" i.e. sacrificing paying the heat bill so that we can afford to pay the phone line, internet, and electric bills for the month. We have a Net-30 to come up with the money to pay our parts suppliers, not a Net-90. We need to be able to live comfortably and turn a profit to invest in ourselves. That is the American Dream.

Kindly,

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