

## Industry Responds to CNN Segment Exposing “Steering” & Use of “Sub-par” Parts in DRPs

by **Stacey Phillips**, Assistant Editor

The recent CNN news report about the collision repair industry gave viewers an inside look at the challenges body shops face in order to repair cars safely for consumers. It aired on the Anderson Cooper 360 show Feb. 11.

The 11-minute segment, entitled “Auto Insurers Accused of Pushing Cheap and Sometimes Dangerous Repairs,” explained the widespread use of “salvaged” or aftermarket parts as well as the practice of insurance companies “steering” work away from

certain shops that aren’t part of their select service programs.

In addition, the program discussed the lawsuits filed by more than 500 body shops in 36 states against the top insurance companies in the country to address their concerns.

“This was just another validation of, as CNN put it the ‘scheme’ that’s going on within the insurance industry and anyone associated with them. It also validates what shops all around the country have been seeing and dealing with for years,” said **Ron Perretta**, owner of *Professionals Auto*

*See CNN Segment, Page 42*

## Chicago Foundation Looks to Help Women and Children Across the Country With Car Donations

by **Victoria Antonelli**, Online Editor

Twenty-five years ago, **Molly Cantrell-Kraig** experienced firsthand what it’s like to be a single mother raising a four-month old without a means of transportation.

“I hitched a ride with a friend who was a welder at a local factory,” said Cantrell-Kraig. “He would drop me off two hours early for [college] classes, where I would do my homework at a restaurant across the street from the main campus before school.”

Cantrell-Kraig graduated and began working, and was then able to



**Molly Cantrell-Kraig**, founder of Women With Drive Foundation.  
Photo credit: @Linda Horton Photography Chicago

buy a reliable car and provide for her family. She credits her success to a trustworthy mechanic, **Steve Curry** of *Curry’s Auto, Inc.* in Muscatine, Iowa.

“He helped me to not only learn about how to take care of my car, but also how to budget maintenance costs,”

*See Chicago Foundation, Page 22*

## 2015 Ford F-150 Long-Term Road Test



The following article was written by *Travis Langness*, Associate Editor at Edmunds.com. It was published on Jan. 26 and has generated a lot of commentary online. Since many readers heard only about the reaction to the story we reprint the article here with permission of Edmunds.com.

### Aluminum Body Repairs Part 1

I hit our brand-new long-term 2015 Ford F-150 4X4 SuperCrew with a sledgehammer. On purpose.

Twice.

We bought the \$52,000 F-150 from *Galpin Ford* in Van Nuys, California. The day after the truck was delivered to our *Edmunds* office in Santa Monica, I went to work with the BFH,

*See 2015 Ford F-150, Page 14*



**Travis Langness**, Associate editor at Edmunds.com, takes a sledgehammer to a brand new aluminum Ford F-150 to test the collision repair process. Photo credit: Edmunds.com

## Three-C Body Shops in OH and State Farm Reach Agreement to Settle Multiple Lawsuits

After two and a half years of legal jousting, involving over 140 separate claims seeking damages in excess of \$300,000, **Bob Juniper** of *Three-C Body Shops* and *State Farm Insurance* have reached a settlement.

Juniper, second generation owner and CEO of *Three-C Body Shops, Inc.* filed a lawsuit against *State Farm* on behalf of 146 of his customers. The issue stemmed from *Three-C*’s billings associated with the handling of total loss vehicles of which the insurer declined to provide ample compensation to their customers. The issues included, but were not restricted to processes such as hazardous waste, labor related to dismantling, mechanical, diagnostic time, access, rough pulls, accessing

codes, relocation of disabled vehicle, fluid/debris clean-up, collision wrap, clean-up of broken glass, administrative time performing research for factory repair methods and numerous other processes incurred.

“The time and efforts involved in vehicles once considered repairable and then deemed total losses are often considered by insurers to be a ‘cost of doing business;’ however, when a vehicle becomes a total loss, such labor and administrative activities become burdensome and take considerable time away from our efforts to serve our repair customers. Such activities, time and procedures are all too often unappreciated and ignored and we

*See Three-C Body Shops, Page 30*

One of the projects Costa said he is most excited about is the idea of a retail concierge service where the sales office is separated from the production facility. Over the last 18 months, Maaco has been testing this concept at 13 locations, including Chino Hills, CA and Marietta, GA. The idea is to set up a 1,000 square foot small Maaco

we wanted to very clearly and in a transparent way show the consumer why the price point goes up.”

To help accomplish this, Maaco incorporated 30-second videos that explain the repair process.

Costa said these changes have improved efficiencies but there have also been challenges. They found too many things were incorporated the first year and it was difficult to measure the impact. He said some of the programs worked and others did not.

One example is when the company decided to move away from using price advertising in April 2013. “By early June we had to put it back on because it hurt us tremendously. We’re really sensitive to price even if we like it or not, consumers react to our price point,” he said.

Although there were many challenges that year, the company still had positive sales of three to four percent growth. In 2014, Maaco ended the year with more than six percent growth. “For the first time in the history of the brand we crossed \$20,000 average weekly sales,” said Costa. The average center reaches \$1 million a year and he said the goal is to con-

tinue having the franchise’s bottom line grow.

“The more profitable the franchises are the more they will invest back into the business,” said Costa. “If you bring innovation and other options for the franchise owners to grow and at the same time they’re making more money, it’s a win win for both the franchise owner and the franchisee.”

Maaco is part of *Driven Brands*, the Charlotte, NC-based corporate parent of automotive companies including *Meineke Car Centers*, *Econo Lube & Tune* and other automotive-related businesses.

The episode of *Undercover Boss* can be viewed online [http://www.cbs.com/shows/undercover\\_boss/video/405E9026-1D3C-E5EC-B12B-93BB9B4DFE03/undercover-boss-maaco/](http://www.cbs.com/shows/undercover_boss/video/405E9026-1D3C-E5EC-B12B-93BB9B4DFE03/undercover-boss-maaco/)

*Continued from Cover*

## 3-C Body Shops

sought to receive due compensation for our efforts” stated Juniper.

“The costs involved in processing total losses are often higher than the amounts State Farm had been willing to provide for and our ongoing efforts to amicably resolve the issues on behalf of our customers were unsuccessful. The only recourse left was to seek a court’s ruling on the matter; and as such, I took an Assignment of Proceeds (AOP) from our customers and sought recovery on their behalf.”

Juniper went on to state: “We are pleased to have settled this group of cases and I presume State Farm is as well. It is never a good situation for the customer when an insurer and repairer clash over such issues, especially when litigation results. I’m confident the settlement will enable our two companies to better serve the needs of our customers and our respective businesses regardless if a vehicle is repairable or should be deemed to be a total loss.”



Costa and Maaco employee Christian Soto, who works at the Orlando, FL franchise on Orange Trail Blossom. Photo credit: CBS

office next door to a large retail chain like Target or Wal-Mart.

“We wanted to be more relevant to women,” said Costa. After conducting extensive research, Costa said they found “Women were skeptical to do business with us because we used to advertise \$299 and \$399 and the average repair order was around \$1,000. It was that bait and switch mentality that

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