

**Associate Advisory Committee Meeting
Wednesday, April 21, 2021
Zoom**

Meeting Recap

Present: Shane Kelly, Patrick McKinney, Loren Feldkamp, Jeremy Schulz, Mike Kraft, Judell Anderson, Tom Kluver

I. WELCOME AND CALL TO ORDER

The Associate Advisory Committee meeting was called to order by Loren Feldkamp, who noted the cell phone policy. Those present introduced themselves and gave a status report on current business conditions.

II. BRIEFING: ISSUES/INITIATIVES

Collision Division

AASP-MN has been working to establish common ground and resolution with the Insurance Federation of MN on two issues:

- Parts procurement – AASP-MN has proposed to add language to Minn. Stat. § 72B.092, calling for the reasonable market price for parts and materials to be based on the price of parts and materials available from vendor(s) located within a 150 mile radius of the repair shop. This proposal is a result of member concerns about the challenge of ordering parts from distant suppliers with whom they have no business relationship. Too often, parts are either inappropriate for the vehicle being repaired or in such bad condition that the repair shop cannot use the part, thereby delaying the repair process.

IFM has rejected that notion, putting the burden back on repair shops. They have argued that the repair shops should utilize the tools in the procurement systems to identify disreputable parts suppliers in the supply chain. Further, IFM claims that they don't require shops to obtain their parts from distant suppliers. However, the repair industry counters that insurers do rely on the lowest price point when they evaluate the repair shops.

- Expediting timeline for agreed-upon price – Repair shops would like to establish a timeline for insurers to process supplement requests and arrive at an agreed-upon price prior to the vehicle being released from the repair shop. Repair cycle times would be reduced, to the benefit of repair shops, consumers and insurers.

In our earlier discussions with IFM, they indicated a willingness to develop language which might move things in the desired direction. However, most recently IFM indicated that this issue is being discussed at the national level, so they want to hold off to see what may transpire on a national basis.

We have found that the new IFM leadership is willing to engage in discussions but we really aren't making any greater progress than we were with the previous leadership. It is also difficult to reform insurance industry practices in the legislative arena given the current leadership in the Minnesota Senate.

Mechanical Division

The *Get to Know Your Neighborhood Auto Repair Pro*[™] program has transitioned from broadcast radio to a targeted digital campaign in 2021.

2021 Legislative Session

- General: The Session is just one month away from the Constitutional deadline with House and Senate positions being dramatically different from one another. The prospect of finishing on time (May 17th) seems remote because the positions are so different.

Current proposals for state tax treatment of federal Paycheck Protection Program loans were reviewed.

- Salvage title: Legislation which would remove reference to “late model” and “high-value” vehicles in the salvage title statute has made its way into the Senate Omnibus Transportation bill. AASP-MN continues to work with representatives from the Auto Auctions and Legal Aid to prevent this provision from being included in the House Omnibus Bill. Our objective is to have the House prevail and not include this provision in Conference Committee.
- Catalytic converters: The theft and sale of catalytic converters has become a widespread problem. Legislation in the House Energy and Commerce Bill would establish a pilot program for tracking transactions related to catalytic converters. The focus of the proposal is on scrap yards – the ultimate recipient of catalytic converters that have been removed either properly or illegally.

AASP-MN’s objective has been to scrutinize proposals to ensure that repair shops are not unreasonably burdened in handling catalytic converter repairs.

III. MEMBERSHIP UPDATE

Judell reported that, while AASP-MN achieved a 91% retention rate for 2020 renewals, it finished the year with a decrease of 35 members due to the limitations that COVID-19 placed on recruiting efforts. Loren encouraged all committee members to promote Alliance membership to their customers and vendor colleagues.

IV. OTHER OLD/NEW BUSINESS

Judell expressed her gratitude to those on the call who support AASP-MN through sponsorship. The OEMs have made major announcements recently regarding their intent to expand manufacture of electric vehicles. This will be a trend to watch closely.

V. UPCOMING EVENTS

- 2021 Annual Meeting & Leadership Conference – May 20th
- Golf Outing – June 16th @ Majestic Oaks
- Race for Automotive Education – Sept. 28-30

Schedule Next Meeting & Adjourn

The next meeting will be scheduled in conjunction with the annual Joint Advisory Committee meeting at a date to be determined.

There being no further business, the meeting was adjourned.