

**Alliance of Automotive Service Providers, Minnesota (AASP-MN)**  
**Collision & Government Affairs Advisory Committee Meeting**  
**Meeting Recap**  
**Tuesday, April 20, 2021**  
**Zoom**

Present: Lee Schlosser, Aaron Rolfsrud, Travis Doyle, Matt Feehan, Jake Moser, Jim Siegfried, Carol Keyes, Dan Meyer, John Ritter, Jr., Shannon Christian, Jeremy Schulz, Dan Swenson, Michael Siegfried, Brandon Wistrom, Aaron Swanson, Judell Anderson, Tom Kluver, Kevin Walli

### **Welcome & Call to Order**

The meeting was called to order by Lee Schlosser. Participants introduced themselves and new collision committee members were welcomed. The objective of the Collision Advisory Committee was reviewed.

### **Legislative Update**

- General: Members were informed that 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 17<sup>th</sup>) 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. The company behind the statutory changes is LKQ, arguing that changing the salvage title statute – and requiring that more vehicles receive a salvage title – will curb the practice of title washing. However, a close reading of the proposed changes indicates that the bill does not accomplish its intended consumer protection purposes.

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.

### **Meetings with Insurance Federation of MN**

AASP-MN has been working to establish common ground and a resolution with the IFM 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.

AASP-MN will continue to press this point with IFM.

- 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, on the eve of the AASP-MN Committee Meeting, 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.

The Committee also discussed the challenge of overcoming insurance industry practices given the current leadership in the Minnesota Senate.

#### **Other Old/New Business**

- Members discussed potential topics for a May BS Session. Suggested topics included business insurance coverage and review of state statutes relating to collision repair.
- General roundtable – Members discussed the extent to which artificial intelligence was being used in estimating systems. Challenges with parts availability and insurers' total loss practices were also noted.

#### **Upcoming Events**

- 2021 Annual Meeting & Leadership Conference – May 20th
- Golf Outing – June 16<sup>th</sup> @ 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.