

Alliance of Automotive Service Providers, Minnesota (AASP-MN)
Collision & Government Affairs Advisory Committee Meeting
Meeting Recap
Tuesday, February 23, 2021

Present: Aaron Rolfsrud, Travis Doyle, Matt Feehan, Jake Moser, Jesse Jacobson, Aaron Swanson, Randy Miller, Mike Cox, Jim Siegfried, Will Latuff, McKenzie Spalding, Carol Keyes, Dale Feste, John Ritter, Jr., Dan Sjolseth, Bruce Tschida, Darrell Amberson, Dan Swenson, Michael Siegfried, Brandon Wistrom, Judell Anderson, Tom Kluver, Kevin Walli, Sam Richie

Welcome & Call to Order

The meeting was called to order by Jim Siegfried. Participants introduced themselves.

Legislative Update

- **General:** Kevin Walli provided a legislative update indicating that the focus of the legislature will be on enacting a two-year state budget. The updated state revenue forecast is to be presented on Friday, February 26. The updated numbers will set the parameters for budget talks between the House, Senate and Governor. With Minnesota being the only state with a divided legislature, it is most likely that there will be little agreement on policy changes.
- **Salvage title:** Legislation which would remove reference to late model and high-value vehicles in the salvage title statute is making its way through the Senate. AASP-MN and the auto auction industry testified against the measure authored by Senator John Jasinski (R-Faribault). The company behind the statutory changes is LKQ, arguing that changing the salvage title statute – and requiring that more vehicles receive a salvage title – enhances consumer protections. However, a close reading of the proposed changes indicates that the bill does not accomplish its intended consumer protection purposes.

AASP-MN will continue its participation in a working group of representatives from the auto auctions, Insurance Federation of Minnesota, Legal Aid and key legislators to develop an alternative proposal which will become the focus of legislative efforts in the House.

- **Meeting w/insurers:** AASP-MN has identified two statutory changes that it would like to pursue at the Capitol. We have met with several members of the Insurance Federation of Minnesota to discuss our proposals and are hoping that we can find some common ground to amend the current statute.

One provision would amend Minn. Stat. § 72A.201, subd. 6(3), with the objective of expediting the 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.

A second proposed change to the statute would be at Minn. Stat. § 72B.092, where we would add language stating that the reasonable market price for parts and materials be based on the price of parts and materials available from vendor(s) located within a 150 mile radius of the repair shop. The concern stems from repair shops being pressured by insurers to do business with distant suppliers with whom they have no working relationship and the challenges that arise when it's necessary to return parts that are damaged or not appropriate for the repair.

Although the Insurance Federation was not willing to agree to our specific proposals, they did acknowledge the validity of our concerns and indicated a willingness to take the issues back to their Committee process with the objective of coming up with language that may be mutually acceptable.

Catalytic Converter Thefts

Judell commented on recent publicity regarding catalytic converter thefts and suggested that, in order to solve this problem, the focus needs to be on addressing the “demand side” of this illegal market. Some shops stated that they have seen an uptick in catalytic converter replacement business. Members discussed how they might protect themselves and their customers from catalytic converter thefts and vehicle thefts, as well, and outlined additional security measures that they are instituting to protect customer vehicles.

Other Old/New Business

- OSHA update: Carol Keyes reminded shops to keep up with preparedness plans for their COVID response. OSHA is enforcing workplace standards and fines can be significant. OSHA does respond to complaints from consumers or disgruntled employees when employers do not have a plan or enforce safety protocols. Federal OSHA is expected to issue a temporary standard for COVID-19 precautions in the near future.
- Second round PPP loans: Judell inquired as to whether members had sought a second round PPP loan. Several members shared their experience, indicating that the application process for the 2nd round of funding was simpler than the first round.
- Committee transition: Judell indicated that April 1st is the date that committee rotation takes place and that new committee members will be joining the Collision Advisory Committee. The group extended its thanks to the outgoing members Andrea, Ramin and Randy. The Government and Regulatory Affairs Committee membership changes in the fall – after the legislative session.
- Roundtable discussion: A specific question was raised about steering practices by insurers, noting that some insurers are becoming more aggressive in using language which is coercive. Even though insurers are getting more aggressive, it was noted that the Department of Commerce really needs to have the consumer speak to the experience of steering. Encouraging customer cooperation, recording phone calls or instituting three-way calls with the shop, the insured and the insurer are methods being utilized to document and/or counter steering practices.

Several members also noted that insurer push-back on scanning charges continues. Some insurers repeatedly refuse to pay for operations and inspections called for by OEM procedures.

Upcoming Events

- AWAIR training – now available on-demand
- 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 of the Collision Advisory and Government and Regulatory Affairs Committees was scheduled for Tuesday, April 20th, at 1 p.m.

There being no further business, the meeting was adjourned.