

Alliance of Automotive Service Providers, Minnesota (AASP-MN)
Collision Advisory Committee
Meeting Recap
Thursday, September 17, 2020

Present: Aaron Rolfsrud, Andrea Ossowski, Jake Moser, Jesse Jacobson, Aaron Swanson, Ramin Hakimi, Aaron Sour, Lee Schlosser, Mike Cox, Randy Miller, Judell Anderson, Tom Kluver, Kevin Walli
Govt. Affairs Committee members: Darrell Amberson, Roger Bonn

WELCOME AND CALL TO ORDER

The meeting was called to order by Jesse Jacobson, who reminded the group of the cell phone policy. A committee roster was distributed and the committee objective was reviewed. Participants introduced themselves.

CATCHING UP

- A member “check-in” was conducted during which participants had an opportunity to bring their colleagues up-to-date on activities at their respective shops, particularly relating to COVID-19.
- Judell provided an update on association events and plans for the future.

LEGISLATIVE ISSUES

- November election: Kevin Walli explained the implications of the upcoming state legislative elections. All 201 legislators – 67 Senators and 134 Representatives – are standing for re-election. It was noted that the Alliance has faced significant challenges in the Senate due to the Senate Republican leadership being so closely connected with the insurance industry. The Senate Commerce Committee Chairman Gary Dahms and Senate Majority Leader Paul Gazelka had/have careers in the insurance industry. They tend to be very receptive to any argument that the Insurance Federation of Minnesota might present.

On the DFL side, there has been significant turnover of the membership on the House Commerce Committee. The Committee Chair for the last few years was Representative Laurie Halverson. Representative Halverson was willing to hear repair industry concerns, but she has chosen to run for a position as County Commissioner in Dakota County. Representative Ruth Richardson (DFL-Mendota Heights) was our Chief Author of the OEM procedures bill. She was a willing advocate for us but was new to our issues. In general, we need to reinvest in educating legislators about the industry.

On the regulatory front, the Minnesota Senate voted to remove Commerce Commissioner, Steve Kelley, during a recent Special Session called to address the extension of Gov. Tim Walz's peacetime emergency order for the COVID-19 pandemic.

- Where we've been: The Committee reviewed the AASP-MN 2019-2020 effort to make it an unfair claims practice to deny payment for repairs that are made in accordance with guidance from the vehicle manufacturer. During the lead-up to the 2020 Session and during the Session itself, the manufacturers were “silent partners”. AASP-MN was in the lead and was subjected to criticism from the insurance industry, parts recyclers, and LKQ during an “Informational Hearing” on the repair standards issue. Most of the criticism directed toward AASP-MN was related to what the manufacturers' motives might be for establishing and requiring compliance with repair standards. Given that line of questioning, we have communicated to the manufacturers that we would need them to be in a leadership role during the 2021 Session.
- Member survey results: Judell shared the results of the AASP-MN Legislative Action Survey that was recently conducted. Committee members then reviewed and debated the various strategies that

might be undertaken to address the higher-priority issues identified by members, including: steering, labor rates, parts procurement, OEM procedures and photo estimating.

- Where we're going & next steps: In addition to OEM procedures, the conversation narrowed to a handful of other survey issues which the Association may prioritize for action in 2021.

Parts procurement – in the interest of timely and efficient parts procurement, AASP-MN has been interested in determining whether a “local market area” might be defined for the reasonable search, acquisition and transport of replacement parts. Some research has been conducted to define a geographic market area that may be appropriate to establish in statute. Most recently, staff has reviewed the U.S. Code relating to motor carriers. The Rules of the Federal Motor Carrier Safety Administration establish different standards for commercial transport of products less than 150-miles. This distance standard applies in circumstances where the driver returns to their place of origin within a 150-mile radius on a daily basis. Further research will be conducted to develop the argument in the context of our parts procurement concerns.

Photo estimates – the Committee also discussed concerns over lack of oversight relating to photo estimates. Understanding the limitations of what a photo can provide regarding the extent of damage to a vehicle, members discussed whether a disclosure requirement might be established for insurers as they proceed with settlements with their insureds. Members considered another possible remedy – a mandatory inspection when the estimate reached a certain dollar damage threshold.

Steering – continues to be a concern for the membership but it is particularly hard to establish an enforcement mechanism since shops are often unaware of the steering activity. Since non-DRP shops generally face a slower claims settlement process with the insurer, a possible approach to mitigate steering would be to establish a timeframe within which an insurer must inspect a vehicle and agree to a final price with the repair shop.

The Committee will reconvene soon after the election to discuss issues and strategy in the context of the reconfigured Legislature.

UPCOMING EVENTS

- BS Session – September 24th
- GM clinics – various, September - December
- AWAIR training – TBD

NEXT MEETING

The next meeting will be a joint meeting of the Collision Advisory and Governmental & Regulatory Affairs Committees. It will take place via Zoom at 1 p.m. on Thursday, December 3rd. There being no further business, the meeting was adjourned.