



ABARI *Collision* News

October 9, 2018 (Vol 2 No. 9)

2018 Auto Body Labor Rates

PROGRESSIVE: Rates are UNCHANGED

ALLSTATE: Rates are UNCHANGED

GEICO: CHANGES MADE: Prevailing rate of \$45.00 remains unchanged, but the Mechanical went from \$50.00 to \$54.00. This seems to be a positive increase; however, if you remember the Mechanical rate was \$54.00 back in 2016 until when in 2017 GEICO lowered it to \$50.00. GEICO has also stated that the "Aluminum rate is the same as the standard sheet metal rate".

NATIONAL INDEMNITY: INCREASE of \$1.00 per hour. Changed from \$47.00 to \$48.00. These rates apply equally to both A and B Shops

AMICA: Rates are UNCHANGED

LIBERTY: Rates are UNCHANGED

NATIONWIDE: Rates are UNCHANGED

USAA: Rates are UNCHANGED

METROPOLITAN: INCREASE: For the Class A the Prevailing Labor Rate went from \$49.00 to \$50.00. The Class B Prevailing Labor Rate went from \$47.00 to \$48.00

MAPFRE: Rates are UNCHANGED

TRAVELERS: Rates are UNCHANGED

MAIN STREET AMERICA: Rates are UNCHANGED

SELECTIVE: INCREASE: from \$50.00 to \$52.00 on the prevailing labor rate. The Frame rate increased from \$55.00 to \$60.00. The Mechanical rate also increased from \$80.00 to \$90.00. These rates apply equally to both A and B Shops

OHIO MUTUAL: INCREASE: from \$50.00 to \$51.00 on the prevailing labor rate. The Frame rate went from \$54.00 to \$55.00. The Aluminum rate went from \$101.00 to \$103.00. These rates apply equally to both A and B Shops. **Note:** Ohio Mutual is the only insurance company to use the **Consumer Price Index** to calculate a rate change. They started doing this in 2017.

PROVIDENCE MUTUAL: CHANGES MADE: The prevailing and aluminum rates are UNCHANGED, but they did officially recognize a Mechanical rate of \$65.00. These rates apply equally to both A and B Shops.

AM TRUST GMACI MAIDEN GROUP: (NEW FILING) This insurance company did not file a Survey last year (They negotiated the rates during 2017). They have now filed the "Prevailing Labor Rate" of \$50.00 for the A Shops and \$48.00 for the B shops. No rate was given for Aluminum.

The following insurers are from the "Under 1%" group of Insurers that had the option to either file a Survey or negotiate the auto body labor rate.

EMPLOYERS MUTUAL: Rates are UNCHANGED

QUINCY MUTUAL: (NEW FILING) This Insurance Company did not file a Survey last year (They negotiated the rates during 2017) Prevailing rate is now \$48.00 for the A Shops and \$46.00 for the B Shops. Structural Aluminum is \$95.00 for both A and B Shops

STATE FARM: CHANGES MADE: Rates are *unchanged* but for 2018 they have stated that they will "utilize negotiations with individual repairers as needed in order to resolve customer claims"

ARBELLA: Rates are UNCHANGED

NEW LONDON COUNTY: INCREASE: Prevailing labor rate changed from \$47.00 to \$49.00. The Mechanical and Aluminum rates are noted as “Negotiated Individual Basis”. These rates apply equally to both A and B Shops.
PURE: (NEW FILING) This insurance company negotiated the rates during 2017). PURE has now established these rates: Class A shops: \$55.00 for Steel (includes panel replace, R&I Labor, body panel repair, refinishing and also Frame & Structural repair and replace) Mechanical was \$65.00. The rates for Aluminum/Carbon Fiber for the A shops was \$65.00 (includes panel replace, R&I Labor, refinishing and also Mechanical. \$85.00 was listed for Frame & Structural repair and replace as well as Body Panel Repair). For the Class B shops it was \$55.00 for Body/Sheet Metal Repair, Refinishing and Frame Labor. \$65.00 was the Mechanical Rate. It was also noted that if a Class B shop “is aluminum certified by the vehicle manufacture for the vehicle being repaired, aluminum rates and considerations on the aluminum parts involved in the repair and would apply at the aluminum rates listed in the Class A (rates)”.

CHUBB INSURANCE and **MOTOR CLUB INSURANCE** both initiated the Survey process by sending out Questionnaires, and it was therefore assumed that they would be filing a “2018 Auto Body Labor Rate Survey”. The deadline for filing these Surveys with the Department of Business Regulations was October 1, 2018. These two insurance companies have now missed this deadline. These insurers are now obligated by regulation to negotiate.

Each year the Rhode Island Department of Business Regulations does post the new Auto Body Prevailing Labor Rates on their web site. In years past they only listed the insurers that were required to file and not those that also voluntarily filed. In this year’s posting the Department listed the complete set of Rates as filed. To view the new DBR posting for 2018 (Insurance Bulletin Number 2018-13) [CLICK HERE](#)

SHOPS REPORTING INFORMATION

Class A Shops: 35 of the 36 Class A shops sent in their Questionnaires for a **97.2% Response Rate**.

Class B Shops: 92 of the 211 Class B shops sent in their Questionnaires for a **43.6% Response Rate**.

The response rate for the Class A shops remained relatively the same as last year. The Class B Shops; however, had a noticeable increase between this year and last year. Last year there were only 48 Class B shops that sent in their questionnaires in comparison to the 92 that did so this year. This is an increase of 91.7% for the Class B Shops.

RANGE OF RATES OF CHARGE REPORTED BY THE SHOPS

Several of the Insurance Surveys stated that they received questionnaires that showed the following rates of charge for the standard body & paint category:

Class A Shops ran from a low of \$65.00 per hour to a high of \$190.96 **(193% Variance)**

Class B shops had a range between \$48.00 per hour to a high of \$106.00 **(121% Variance)**

RANGE OF INSURANCE “PREVAILING” RATES FOR 2018

Sheet Metal/Refinishing Rates ran between \$45.00 and \$55.00 per hour **(22% Variance)**

Frame Rates ran between \$45.00 and \$60.00 per hour **(33% Variance)**

Mechanical Rates ran between \$45.00 and \$90.00 per hour **(100% Variance)**

Aluminum Rates ran between \$45.00 and \$103.00 per hour **(129% Variance)**

THE GOOD NEWS

There were some increases this year. This is far better than what was happening prior to the first Auto Body Labor Rate Survey of 2007. Before this, the labor rate would remain stagnant for long periods of time that could span 10 years or more! There are also still some insurance companies within the “under 1% set of insurers” that have not filed an Auto Body Labor Rate Survey for 2018, and therefore have no choice but to “NEGOTIATE” the auto body labor rate.

REMINDER OF ABARI GENERAL MEETING

Date : Tuesday November 20th

Place: Crown Plaza/Inn at the Crossings 801 Greenwich Ave, Warwick

Time: 6:30

Price per person: \$60 for members, \$150 for non-members

*Update on regulation revisions at DBR

*Update on labor rate surveys

*Review of requirements for license renewals this year

Guest Speaker Steve Feltovich. Steve is a very experienced and sought-after industry consultant who will share techniques for shops to meet today's challenges. This is a presentation small and large shop owners and managers will not want to miss!

Please contact **ABARI** to reserve seating

Email Mail@abari.net or Phone # 467-7575