

RISING COST OF AUTO REPAIRS



Includes Total Losses

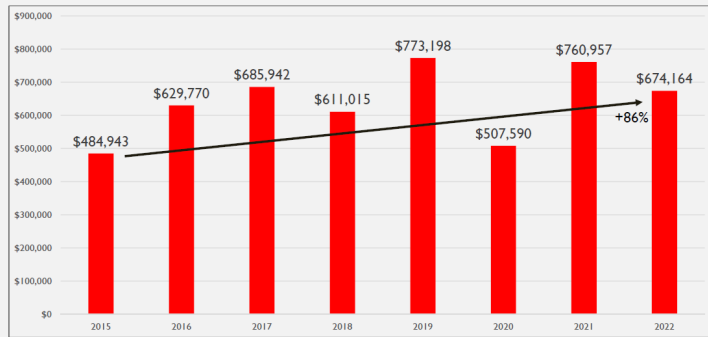
DETERIORATION IN PROPERTY CLAIMS EXPERIENCE



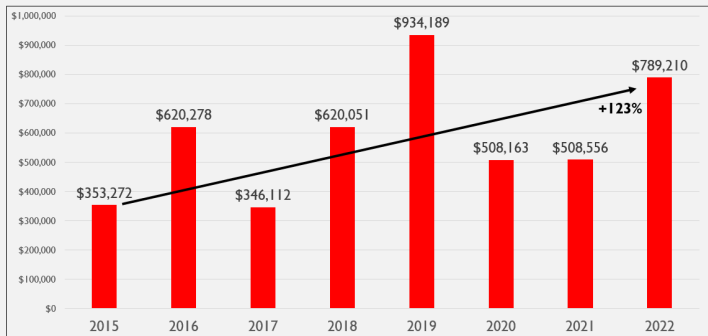
- Property loss ratios climbing
- Exceeding property loss funding
- Actuary bumping loss projections
- Adverse impact on JIF budget
- Increasing Self-Insured Retention
- Was there a trend developing?

AUTO PHYSICAL DAMAGE (INCURRED COSTS)

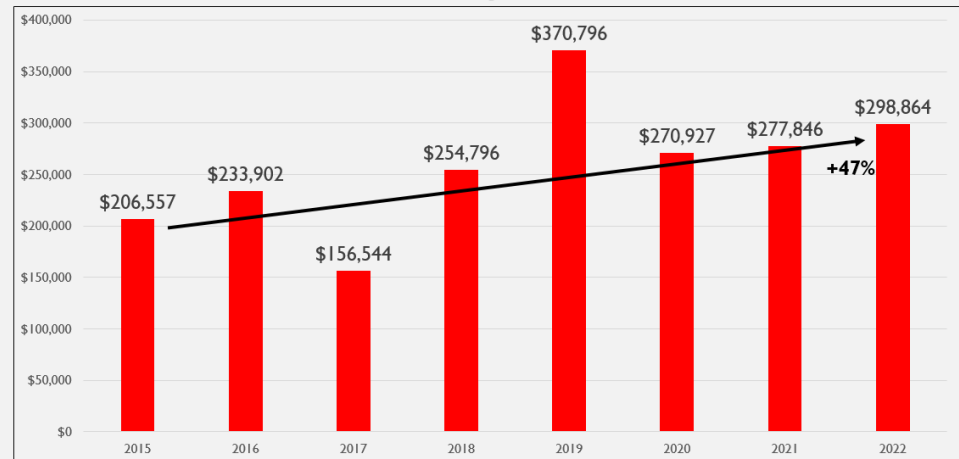
ACM AUTO PHYSICAL DAMAGE



TRICO AUTO PHYSICAL DAMAGE



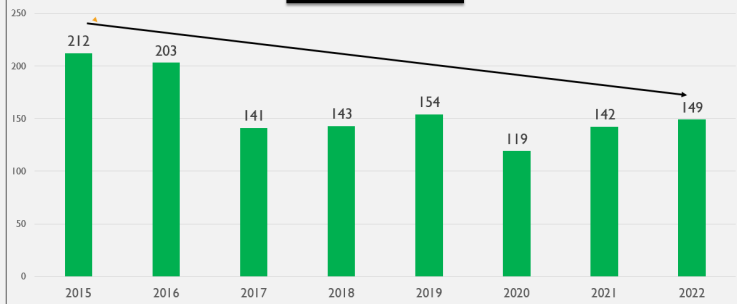
BURLCO AUTO PHYSICAL DAMAGE



AUTO PHYSICAL DAMAGE (NUMBER OF CLAIMS)

ACM AUTO PHYSICAL DAMAGE

Number of Claims



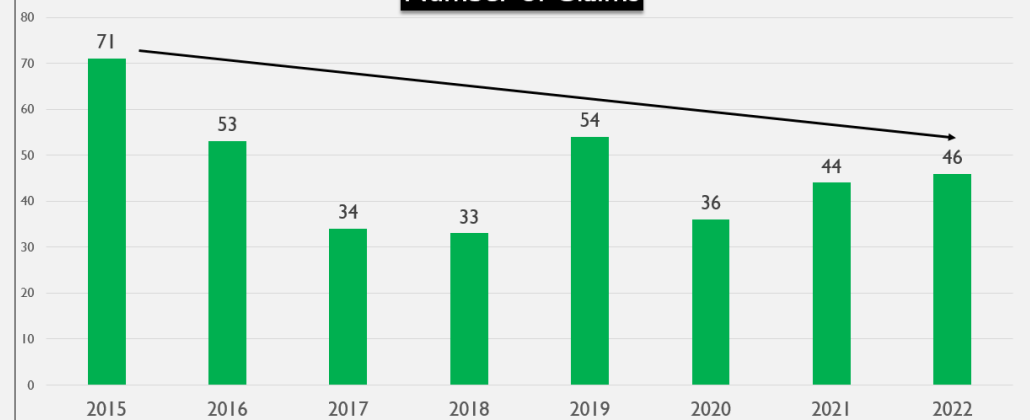
TRICO AUTO PHYSICAL DAMAGE

Number of Claims



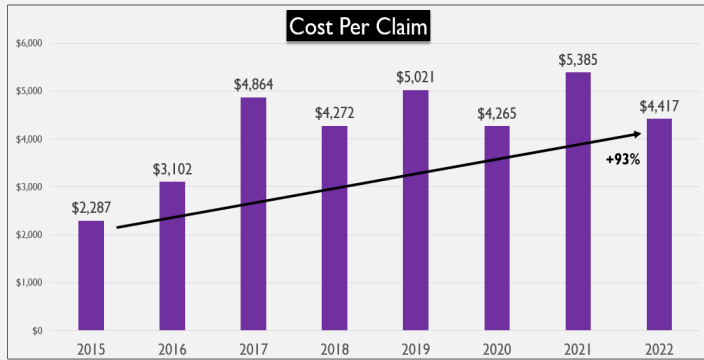
BURLCO AUTO PHYSICAL DAMAGE

Number of Claims

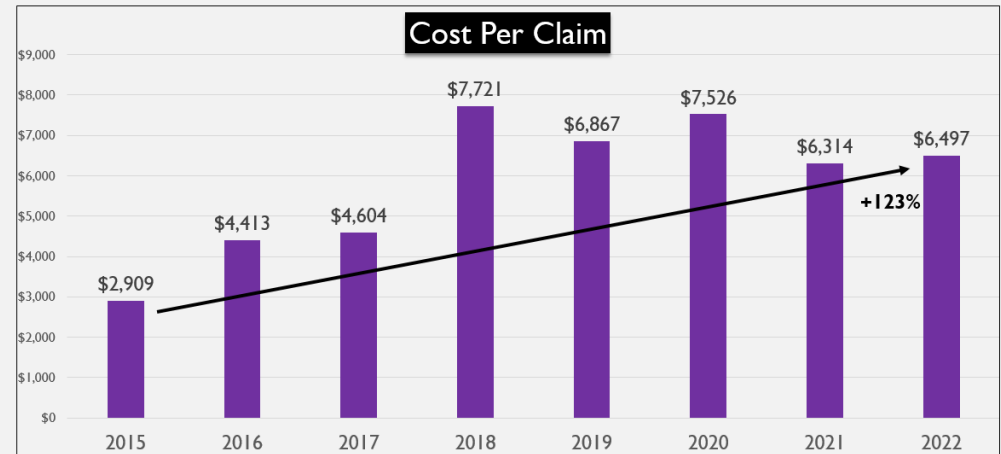


AUTO PHYSICAL DAMAGE (COST PER CLAIM)

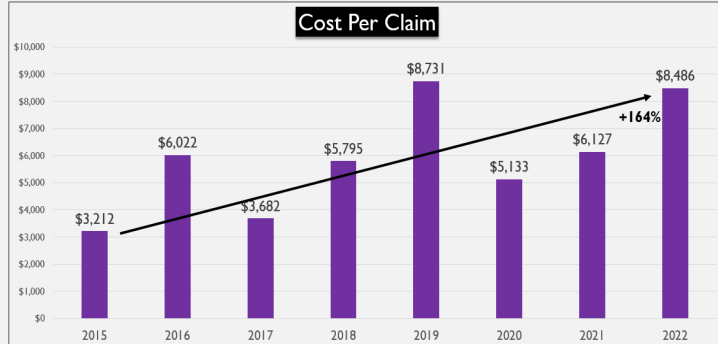
ACM AUTO PHYSICAL DAMAGE



BURLCO AUTO PHYSICAL DAMAGE



TRICO AUTO PHYSICAL DAMAGE



THE BURLCO JIF ADOPTED A FORMAL AUTO REPAIR PROGRAM IN MARCH 2021



JIF Preferred Repair Facility Guidelines



INTRODUCTION

The Joint Insurance Fund (Fund) provides vehicle physical damage coverage for municipal vehicles damaged by a covered loss and has contracted with Qual-Lynx (Claims Administrator) to provide claims adjustment services to member municipalities. Because these claims are paid with taxpayer dollars, the Fund has a financial responsibility to the taxpayers of member municipalities to ensure consistent application of best practices for vehicle repair facilities. Due to differences in methods of repair and labor rates seen between member-chosen repair facilities, it has become necessary to establish Vehicle Repair Facility Guidelines in an effort to ensure uniformity and fiscal responsibility. These Guidelines are intended to assure that the vehicles are repaired in accordance with industry standards and the Fund is paying exactly what is owed for the repairs of an insured vehicle damaged from a covered loss; not a dollar more and not a dollar less.

If the member chooses a repair facility that meets the Guidelines herein, the standard \$1,000 deductible will apply. If a repair facility chosen by the member does not meet these Guidelines, the deductible will be increased to \$2,500. The determination as to whether the repair facility has met program Guidelines is made by the Claims Administrator with assistance, if necessary, from their approved Independent Damage Appraiser, the Fund Administrator, and Fund Solicitor.

GOALS

To establish guidelines and procedures for a vehicle repair facility chosen by the member:

- To ensure that all repairs are completed promptly;
- According to manufacturer recommendations;

- Property loss ratios climbing
- Exceeding property loss funding
- Actuary bumping loss projections
- Adverse impact on JIF budget
- Increasing Self-Insured Retention
- Was there a trend developing?

PROGRAM GOALS



- Establish standards for vehicle repairs
- Ensure repairs are:
 - Completed promptly
 - According to manufacturer recommendations
 - To pre-accident safety level
 - At “agreed price”

PROGRAM BENEFITS



- Choice of shop remains with member
- Greater stewardship of taxpayer dollars
- Reduction in property damage costs
- Enhanced service to members
- Repairs completed to manufacturer specifications
- Shops paid promptly by Q/L vs. member
 - Member only responsible for deductible

* Facilities that do not comply with the program subject the member to a \$2,500 deductible.

1ST ALERT APPRAISALS



Leo S. Petetti, President and Owner
Licensed Vehicle Damage Appraiser
Call: 609-412-9533
Fax: 609-561-7701

Partners in Efficient and Effective Vehicle Claims Solutions



Presented by:

Leo Petetti President/Owner 1ST ALERT

Pete Oliva COO 1ST ALERT

April 2023

Objectives of Presentation

Overview and insight on the following areas:

- ◆ Auto Repair Claims/Cost Trends**
- ◆ Challenges in Evaluating/Estimating vehicle damage**
- ◆ Auto Repair Facility Program**
- ◆ Cost Effectiveness and Repair Limits of Emergency Vehicle**

The Importance of Independent Review and Oversight

- ❑ **1ST ALERT APPRAISALS** is a fully Independent and Licensed 3rd Party Vehicle Appraisal company.
- ❑ **1ST ALERT's** certified staff documents “vehicle specific” claim activities.
- ❑ (5) specific activities are reviewed in this presentation, however the “independent 3rd party” activity is integral to all services performed by **1ST ALERT**.
- ❑ Independent professional review and oversight of these activities provides **Qual-Lynx** and it's members the peace of mind that these important steps were completed to industry/above standards while maintaining efficiency and integrity.

Section Topics

Auto Repair Claims/Cost Trends

Driving factors in rising cost are: Extreme Part Price Increases, Manufacture Specific Repair Procedures & Use of Multiple Materials & Components (Aluminum, Boron, UHS, SUHS, Computer Re-Calibration)

April 2023

Airbag Cost Example

April 2023



11/05/2021



09/05/2018

Headlight Cost Example

April 2023

ESTIMATE

FILE WORKFILE VIEW EDIT

Save Save and Close Print Send Create Supplement

Estimate Properties Rates and Rules Line Operation Delete Estimate Retrieve RPS Get MyPriceLink Pricing

Tasks View Actions



Job FAA 22-4721
2FABP7BV7AX111336
OTHER

Contacts Insurance Inspection Vehicle Estimate Rates Attachments Tasks Total Loss Notes Events

\$10,635.87 over threshold Estimate of Record

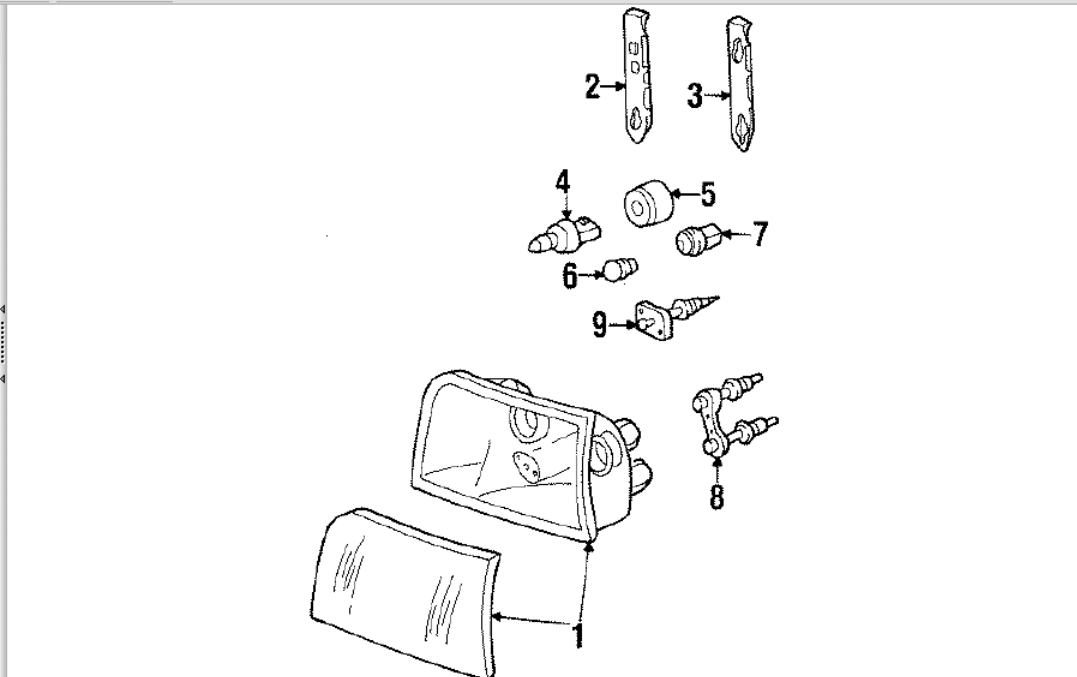
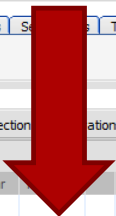
Lines Other Charges Totals

MOTOR Tire Part Codes

Filter HNotes Frame Refinish Blend R&I Replace Repair Sectionations Recy A/M Opt OEM Record Compare

GROUPS Search for Parts

Description	#	L/R	Year	Labor	Paint
FRONT LAMPS					
HEADLAMP COMPONENTS					
Headlamp assy	1	R	03-11	72.32	0.4
Headlamp assy	1	L	03-11	72.32	0.4
Inner bracket	2	R	03-11	9.62	
Inner bracket	2	L	03-11	9.62	
Outer bracket	3	R	03-11	5.15	
Outer bracket	3	L	03-11	5.15	
Headlamp bulb	4	R	03-11	14.98	0.2
Headlamp bulb	4	L	03-11	14.98	0.2
Headlamp bulb retainer	5	R	03-11	10.77	
Headlamp bulb retainer	5	L	03-11	10.77	
Park lamp bulb	6	R	03-11	4.38	0.2
Park lamp bulb	6	L	03-11	4.38	0.2
Socket	7	R	04-11	15.10	
Socket	7	L	04-11	15.10	
Adjust screw horizontal	8	R	03-11	11.67	
Adjust screw horizontal	8	L	03-11	11.67	
Adjust screw vertical	9	R	03-11	20.00	
Adjust screw vertical	9	L	03-11	20.00	
SIDE MARKER LAMPS					
FLASHER LAMPS W/POLICE PACKAGE					
ADDITIONAL OPERATIONS					



LABOR: Time is after sight shield is removed. Time included with R&R front panel.

ESTIMATE

FILE WORKFILE VIEW EDIT

Save Save and Close Print Send Lock Estimate

Estimate Properties Rates and Rules Line Operation Delete Estimate Retrieve RPS Get MyPriceLink Pricing

Tasks View Actions



Job FAA 22-4954
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OTHER

Contacts Insurance Inspection Vehicle Estimate Rates Attachments Settlements Tasks Total Loss Notes Events

\$29,507.35 threshold n/a Preliminary Estimate

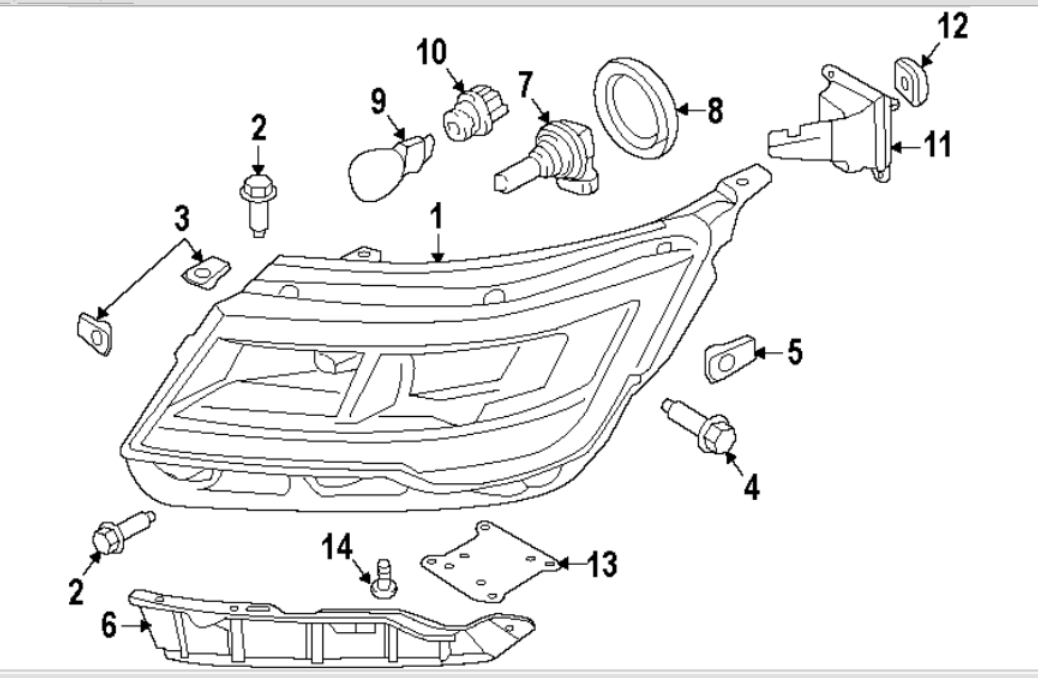
Lines Other Charges Totals

MOTOR Tire Part Codes

Filter HNotes Frame Refinish Blend R&I Replace Repair Section Recy A/M Opt OEM Record Compare

GROUPS Search for Parts

Description	#	L/R	Year	Labor	Paint
FRONT LAMPS					
HEADLAMP COMPONENTS W/O FULL LED					
Headlamp housing level 2 lamps to 04/03/2018	1	R	16-18	1042.75	0.5
Headlamp housing level 2 lamps to 04/03/2018	1	L	16-18	986.97	0.5
Headlamp housing level 2 lamps from 04/04/2018	1	R	18-19	1011.33	0.5
Headlamp housing level 2 lamps from 04/04/2018	1	L	18-19	1026.00	0.5
Headlamp housing level 3 lamps to 04/03/2018	1	R	16-18	1161.72	0.5
Headlamp housing level 3 lamps to 04/03/2018	1	L	16-18	1150.10	0.5
Headlamp housing level 3 lamps from 04/04/2018	1	R	18-19	1064.35	0.5
Headlamp housing level 3 lamps from 04/04/2018	1	L	18-19	1064.35	0.5
Headlamp housing level 4 lamps to 04/03/2018	1	R	16-18	1140.30	0.5
Headlamp housing level 4 lamps to 04/03/2018	1	L	16-18	1140.30	0.5
Headlamp housing level 4 lamps from 04/04/2018	1	R	18-19	1118.58	0.5
Headlamp housing level 4 lamps from 04/04/2018	1	L	18-19	1096.27	0.5
Headlamp housing level 5 lamps	1	R	16-19	379.03	0.5
Headlamp housing level 5 lamps	1	L	16-19	751.67	0.5
Headlamp housing level 6 lamps	1	R	16-19	1531.12	0.5
Headlamp housing level 6 lamps	1	L	16-19	1464.25	0.5
Headlamp housing level 7 lamps to 04/03/2018	1	R	16-18	1118.16	0.5
Headlamp housing level 7 lamps to 04/03/2018	1	L	16-18	1116.76	0.5
Headlamp housing level 7 lamps from 04/04/2018	1	R	18-19	1307.65	0.5
Headlamp housing level 7 lamps from 04/04/2018	1	L	18-19	1094.82	0.5
Headlamp housing reflect design	1	R	16-19	1481.52	0.5
Headlamp housing reflect design	1	L	16-19	1481.62	0.5
Headlamp housing w/prep pack to 04/03/2018	1	R	16-18	285.50	0.5
Headlamp housing w/prep pack to 04/03/2018	1	L	16-18	285.50	0.5
Headlamp housing w/prep pack from 04/04/2018	1	R	18-19	1096.27	0.5
Headlamp housing w/prep pack from 04/04/2018	1	L	18-19	1011.33	0.5
Headlamp housing upper bolt	2	R	16-19	2.50	
Headlamp housing upper bolt	2	L	16-19	2.50	



LABOR: Time is after bumper cover is removed.

FILE WORKFILE VIEW EDIT

Save Save and Close Print Send Lock Estimate Estimate Properties Rates and Rules Line Operation Delete Estimate Retrieve RPS Get MyPriceLink Pricing

Tasks

Job FAA 22-4957
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OTHER

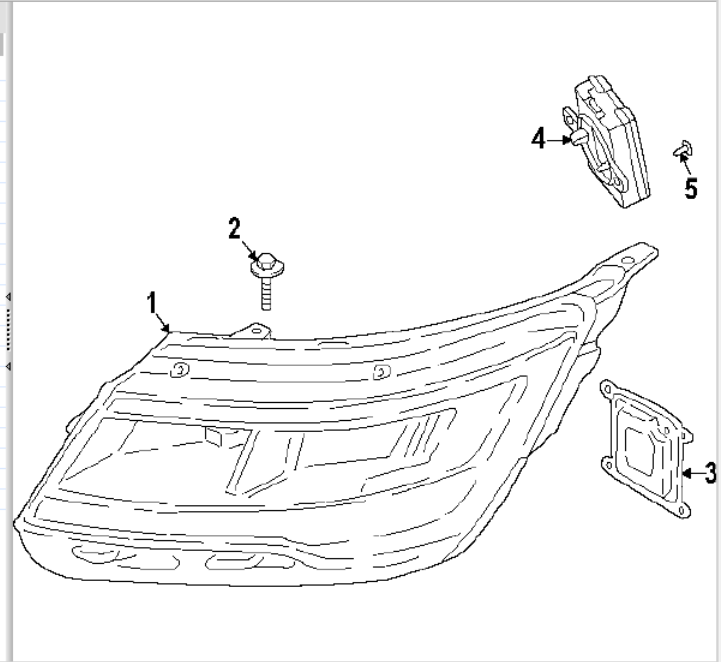
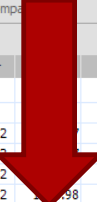
Lines Other Charges Totals \$46,155.17 threshold n/a Preliminary Estimate

A	N	*	O	Est	Line	Oper	Description	Qty	Price	Ext. Price	Labor	Paint
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MOTOR Tire Part Codes Filter HNotes Frame Refinish Blend R&I Replace Repair Section Operations Recy A/M Opt OEM Recond Comp

GROUPS Search for Parts

Description	#	L/R	Year	Labor	Paint
FRONT LAMPS					
HEADLAMP COMPONENTS					
Headlamp assy w/o adaptive headlamps level 2 headlamps	1	R	20-22	0.5	
Headlamp assy w/o adaptive headlamps level 2 headlamps	1	L	20-22	0.5	
Headlamp assy w/o adaptive headlamps level 3 headlamps	1	R	20-22	0.5	
Headlamp assy w/o adaptive headlamps level 3 headlamps	1	L	20-22	0.5	
Headlamp assy w/o adaptive headlamps level 4 headlamps	D 1	R	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps level 4 headlamps	1	L	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps level 5 headlamps	1	R	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps level 5 headlamps	1	L	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps level 7 headlamps	1	R	20-22	1564.95	0.5
Headlamp assy w/o adaptive headlamps level 7 headlamps	1	L	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps reflective design	1	R	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps reflective design	1	L	20-22	0.00	0.5
Headlamp assy w/o adaptive headlamps prep pack	1	R	20-22	1666.67	0.5
Headlamp assy w/o adaptive headlamps prep pack	1	L	20-22	1666.67	0.5
Headlamp assy bolt	2	R	20-22	2.50	
Headlamp assy bolt	2	L	20-22	2.50	
Actuator rivet	5		20-22	1.50	
SIGNAL LAMPS INTERCEPTOR					
FOG LAMPS					
ADDITIONAL OPERATIONS					



Upfit Cost Example

April 2023

EMERGENCY ACCESSORIES AND INSTALLATIONS

QUOTE# 71222EB2



770 CUTHBERT BLVD
 CHERRY HILL, NJ 08002
 856-295-9991

Customer Name _____
 Address _____
 City _____ State NJ
 Phone _____

Date 7.1.22
 Vehicle EXPLORER CAR# 334
 Quantity 1
 Prepared By JR

Quantity	Description	List	Total
1	REMOVAL OF ALL POLICE EQUIPMENT FROM WRECKED VEHICLE		\$1,000.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
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			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00

Total: \$1,000.00

Comments:
 1FM5K8AR4FGB98783
 WRECK REMOVAL
 CAR #334
 17-FLEET-00761,0768,00719,00748,00792,00785,00748,00770

Office Use Only

QUOTE VALID FOR 30 DAYS

EMERGENCY ACCESSORIES AND INSTALLATIONS

QUOTE# 7622EB2



770 CUTHBERT BLVD
 CHERRY HILL, NJ 08002
 856-295-9991

Customer _____
 Name _____
 Address _____
 City _____
 Phone _____

Date 7.6.22
 Vehicle EXPLORER REPLACEMENT #334
 Quantity 1
 Prepared By JR

Quantity	Description	List	Total	
1	EB2DEDE- 54" LIGHTBAR	\$6,174.00	\$3,333.96	\$3,333.96
1	PB4720HDL006- PUSHBUMPERS WITH LIGHTS	\$1,508.00	\$1,206.40	\$1,206.40
2	VTX609C- HEADLIGHTS	\$125.00	\$67.50	\$135.00
1	60CREGCS- DOME LIGHT	\$224.00	\$120.96	\$120.96
2	LINSV2R/B, LINSVBKTSO- UNDER MIRROR LIGHTS	\$284.00	\$153.36	\$306.72
2	VTX609B-REVERSE	\$125.00	\$67.50	\$135.00
1	ULF44- BRAKES	\$101.00	\$54.54	\$54.54
2	RKCR SWITCH	\$18.00	\$9.72	\$19.44
1	P1000UIN20AOSB- PROCELL	\$3,155.00	\$2,524.00	\$2,524.00
1	CVS1210INUT- CONSOLE	\$426.42	\$277.17	\$277.17
1	CARM103- ARM REST	\$158.38	\$102.95	\$102.95
1	CCUPI- CUP HOLDER	\$45.42	\$29.52	\$29.52
1	CUSB2- USB	\$79.11	\$51.42	\$51.42
1	CMD317- MOTION DEVICE	\$474.48	\$308.41	\$308.41
1	PKGKB205- keyboard kit	\$724.98	\$471.24	\$471.24
1	C399,C399KI,CEM16,CCTL6- CORE,CANPORT,EXPANSION,ROTORY KNOB	\$2,053.00	\$1,108.62	\$1,108.62
1	SA315P,SAK66D/P- SPEAKER	\$404.00	\$218.16	\$218.16
1 LABOR TO INSTALL ABOVE AND CUSTOMER SUPPLIED PARTS				\$5,700.00
			Total:	\$16,103.51

Comments:
 PARTS ARE NON TRANSFERABLE, QUOTE IS BASED
 OFF OF CURRENT VEHICLE LAYOUT AND MATCHED
 TO WRECKED VEHICLE.
 1FMSK8AR4FGB98783
 17-FLEET-00761,0768,00719,00748,00792,00785,00748,00770

Office Use Only



Section Topics

Challenges in Evaluating/Estimating Vehicle Damage

Vetting Repair Facilities To Ensure Proper Repairs, Parts Availability, Replacement Vehicle Availability, Repairing Vehicles Safely and Properly Is The Priority, Not Every Vehicle Requires The Same Level of Cosmetic / Appearance / Non-Structural Non-Safety Repair.

More than ever, repair shop selection is the most important facet of the repair process.

The Complexity of Today's Vehicle Frames Play a Significant Role in the Increased Cost of Vehicle Repair.

- ❑ Frame components are complex to account for increased safety standards and often not able to be sections as they were in the past.**
- ❑ This not only results in a higher cost for the part but additional repair procedures, more technical training and more expensive repair equipment.**
- ❑ Additionally, more components are “one use” non repairable parts.**

Section Topics

Auto Repair Facility Program

**Better Relations, Better Repair Quality,
Consolidating Repair Facilities, Cost
Savings on Towing and Up-Fit Cost
(Equipment & Vinyl), Faster Payment &
Less Confusing Process.**

April 2023

Consideration When Purchasing Municipal Vehicles

- Hidden Cost
- Reparability
- Manufacture Support
- Dealer Support
- Pre-Owned Vehicles
- Replacement Turnaround Time

**Thank you for your time and the
opportunity to address the team!**

