



# Press Release

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## FOR IMMEDIATE RELEASE

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## **SCRS-Sponsored Survey Highlights, Confirms the Most Critical Issues Facing Today's Repairers**

*Findings by CSi Complete underscore formidable challenges in the current business environment.*

Prosser, Washington, September 28, 2007 — The results of a new, statistically valid, third-party survey of collision repairers are in, and they reinforce what many have suspected: these are challenging times in the collision industry.

The project entitled “SCRS’ Report on Repair Facility and Insurance Company Relationships,” which is based on the survey conducted by CSi Complete, a nationally known provider of customer satisfaction indexing, who specializes in the collision repair, claims and other service industries. A representative sample of shops from across the nation—including both DRP and non-DRP facilities—were polled with results ranked at a 95% confidence level.

The survey was commissioned by SCRS to confirm what many collision repairers have come to believe: that the business climate has grown increasingly difficult, and the industry is in desperate need of change.

“Conversations between SCRS members, and informal polling on our part, implied that certain key factors were threatening the health of collision repair businesses,” explains SCRS Executive Director Dan Risley. “We needed something scientific to confirm these assertions. After some discussion, the Board concluded that a credible, qualified outside party performing statistically valid research was needed, so we contacted CSi Complete.”

The compiled survey results contain two main areas of emphasis. The first section provides feedback from participating repairers on what issues impact their businesses most and to what degree. The second part sheds light on how participants perceive their relationships with thirteen major insurance companies. This press release summarizes SCRS’ findings in relation to industry impacts. A follow-up release will cover findings in regard to repairer-insurer relationships.

Survey participants were asked to evaluate the impact of nine pressing issues on their businesses. Impacts were classified four ways: “Dramatically Impacts,” “Somewhat Impacts,” “Little Impact” or “No Impact.” Table 1 shows a breakdown of the issues and how they were ranked in order of dramatic impact:

**Table 1.**

Issue	Impact on Business (in percent)			
	Dramatically Impacts	Somewhat Impacts	Little Impact	No Impact
Suppressed Labor Rates	51.66	31.33	8.33	8.66
Losing Customers to Steering	40.66	25.66	22.66	11.00
Lack of Insurance Field Staff Training	33.33	40.00	16.66	10.00
Database Abuse/Manipulation	31.00	33.33	16.00	19.66
Insurer Dictating the Repair	26.66	35.00	20.66	17.66
Refusal to Acknowledge P-Pages	25.00	33.00	18.66	23.33
DRP Requirements	23.07	34.11	18.06	24.74
Fear of Reprisal or Threats from Insurer	20.33	25.33	19.66	34.66
Desk Reviews	15.33	38.00	25.00	21.66

Table 2 shows the *total impact* to repairer from greatest to lowest (Total Impact = Dramatically Impact + Somewhat Impacts + Little Impact):

**Table 2.**

Issue	Total Impact on Business
Suppressed Labor Rates	91.32
Lack of Insurance Field Staff Training	89.99
Losing Customers to Steering	88.98
Insurer Dictating the Repair	82.32
Database Abuse/Manipulation	80.33
Desk Reviews	78.33
Refusal to Acknowledge P-Pages	76.66
DRP Requirements	75.24
Fear of Reprisal or Threats from Insurer	65.32

“The results were revealing in that they confirmed what SCRS members thought all along,” states SCRS Chairman Farzam Afshar. “As an association, you like to think you have your finger on the pulse of your members and the industry as a whole. This survey helps prove it.”

Risley agrees that the survey uncovered no real surprises. “For example, we could tell the adequacy of labor rates was a concern from the vast number of bills being introduced around the country to address the issue,” he says. “The same is true of steering practices, which many states likewise have tried to address through legislation. Unfortunately, enforcement of such laws traditionally poses a challenge because hard evidence of steering is difficult to obtain, although we are hoping this may change as a number of collision repairers have begun to initiate lawsuits against insurers in an effort to show that steering cannot be tolerated.”

The survey also asked participants to rank, in relation to same nine issues, those insurers that had the most dramatic impact for each. In other words, if an issue had a dramatic impact, what insurance companies contributed most to its effect. Table 3 shows the top three insurers for each issue:

**Table 3.**

<b>Issue</b>	<b>Insurers</b>	<b>% Dramatic Impact</b>
Suppressed Labor Rates	Progressive	20
	Allstate	17
	State Farm	13
Losing Customers to Steering	Progressive	23
	Allstate	19
	GEICO	14
Lack of Insurance Field Staff Training	Progressive	39
	GEICO	13
	Allstate	11
Database Abuse/Manipulation	Progressive	23
	Allstate	18
	State Farm	12
Insurer Dictating the Repair	Progressive	22
	Allstate	19
	Nationwide.	12
Refusal to Acknowledge P-Pages	Progressive	20
	Allstate	19
	Nationwide	12
DRP Requirements	State Farm	23
	Allstate	14
	Farmers	11
Fear of Reprisal or Threats from Insurer	State Farm	21
	Progressive	16
	Nationwide	13
Desk Reviews	Allstate	16
	State Farm	10
	Nationwide	8

SCRS hopes that statistical validation of issues will help the industry set the right priorities and strategize more effectively. “Before you can take steps to solve a problem, you have to clearly identify it,” says Afshar. “Backed by the reassurance of the survey, we can pursue solutions for our members with even greater confidence, knowing we are pointed in the right direction as we again try to show that ‘Working Together Is the Most Important Work We Do’.”

Through its direct members and 34 affiliate associations, SCRS is comprised of 6,000 collision repair businesses and 58,500 specialized professionals who work with consumers and insurance companies to repair collision-damaged vehicles. Additional information about SCRS including other news releases is available at the SCRS web site: [www.scrs.com](http://www.scrs.com). You can e-mail SCRS at the following address: [info@scrs.com](mailto:info@scrs.com).