

Press Release

For Immediate Release

For more information:

Darrell Amberson: darrell.amberson@lehmsgarage.com

Lou DiLisio: lou@autoindconsult.com

Rick Starbard: rstarbard@comcast.net

CCC Goes Back On Its Commitment to the Industry

The Database Task Force (DTF), comprised of representatives from AASP, ASA and SCRS, recently completed a multi-year effort involving discussions, data gathering and arguments, in an effort to convince CCC that their estimating system bumper refinish prompt was in direct conflict with paint manufacturer approved refinish procedures. As a result of these discussions, CCC removed the “Bumper Refinish Prompt” in their March 2008 software release. Unfortunately, CCC now feels compelled to once again go against ALL paint manufacturers information and has reintroduced the “Bumper Refinish Prompt” in their Pathways 4.5 release.

The Database Task Force was shocked and disheartened to learn of this most recent reversal. Interestingly, after literally years of discussions and the Task Force providing documentation, coordinating meetings with all the paint manufacturers, as well as providing accolades publicly for CCC “doing the right thing”, they elected to “forget” to discuss the change in direction with the Database Task Force prior to implementing the change. Furthermore, documentation that the Task Force has received subsequently shows that at least one major insurer was fully apprised of the proposed changes at least 60 days in advance of the release. In fact, this major insurer drafted instructions (including screen shots), and distributed them, on how they want their “Repair Partners” to set the default in their systems (regardless of how repairers perform the actual repairs).

During a CIC meeting at NACE 2007, the following statement was publicly read by Bruce Yungkans representing CCC, to the audience. *“Based on some documented and very compelling and convincing new information to us, we’ve been able to determine unequivocally that...refinishing non-metallic bumpers require use of a material that is not recommended on the rest of the vehicle.”*

Following that, Mr. Yungkans also stated that CCC would, *“as soon as practical,”* change its estimating system to ensure *“the refinish overlap between bumpers and other parts refinished on the vehicle will not be applied”* and that *“clearcoat refinish labor and material that is applied to the bumper will not be included in the calculation of any pre-defined clearcoat caps.”*

In an attempt to resolve this extremely sensitive issue, members of the Database Task Force contacted Jim Powers of CCC and then had additional discussions with Jim Powers, Jim Dickens and others from CCC. Jim Powers stated that CCC had information from one or more paint manufacturers that led them to believe that utilizing the same materials on flexible parts as well as on metal parts was fully acceptable. Interestingly, when the Database Task Force contacted each of the major paint companies, none of them were able to confirm that statement. CCC committed to promptly furnish that data to the Task Force for review, but after 5 days notified the Task Force they “were having a difficult time obtaining the requested documentation”. In addition, CCC stated that in discussions with their repair center customers, they were “told” that it was okay to use the same products on all surfaces. Once again, we find it amazing that an information provider goes against a paint manufacturer’s recommendation and changes their system to allow a process because they were “told” it was acceptable. During a conference call with CCC, representatives of the Database Task Force applied the analogy that any estimating software that produces a calculation where $5 + 4 = 6$ is by all measures inaccurate and indefensible. Pathways software that enables the lowering of estimate values, based on outside influence or non-scientific conversations with a few repairers choosing to deviate from recommended procedures, is similarly indefensible.

Many in the collision industry have contended for years that the estimating platforms have been influenced by market forces in a manner that sacrifices accuracy. The DTF was created to address this very issue, and continues to exist today both to enable a constructive working relationship with the IPs, but also to act as a watchdog to address issues such as this one. As such, the Database Task Force is fully committed to taking strong and immediate action to have this prompt removed.

The documentation that was furnished by CCC to the Database Task Force on 12/16 consisted of excerpts from trade publications, paint manufacturer marketing materials, and emails to and from paint manufacturer representatives dated just days earlier. These documents in no way provide a justification for a reintroduction of the bumper prompt, and we contend that the information provided pales in comparison to the ironclad and “unequivocal” documentation that the Database Task Force had to furnish to CCC to remove the prompt. In fact, the majority of the documentation references the ability to utilize the same refinish products; however, it did not specifically address the need for additives or additional processes in order to properly use the products on flexible substrates.

Most disturbing though, is the apparent fact that the paint manufacturers were first formally contacted on this issue just this month, while the decision to reintroduce the refinish prompt was made as early as September of this year. One can’t help but conclude that CCC made the decision first, and then later, only after being challenged, unsuccessfully attempted to generate and furnish documentation supporting the decision.

Until compelling evidence is provided otherwise, the Database Task Force contends that this prompt was once again added to the CCC Pathways estimating system without cause, in a probable effort to assist a select few. Furthermore, the documentation that was sent out with the 4.5 release explained that CCC's newest update "*introduces several enhancements to make estimating easier and support good relations between DRP repairers and insurers.*" We find it interesting that to "help" DRP relationships, CCC elected to go against paint manufacturer's recommendations. This type of biased alteration to the system without justification from manufacturer recommendation is exactly the type of activity that causes the industry to question the accuracy of the databases as well as the motivation of those responsible for these decisions.

The Database Task Force is committed to ensuring the accuracy of the data the industry at large is utilizing and therefore will not accept arbitrary changes without justifiable cause. In light of the current scrutiny by the FTC over CCC's proposed merger with Mitchell, we find it even more unbelievable that this was implemented now. The members of the Database Task Force encourage the repair community to express your thoughts regarding this reversal and the publication of processes that are contrary to manufacturer recommendations.