



## **ALLSTATE INSURANCE DROPS PARTS DISCOUNT DEMAND Paint re-imburement up**

January 2, 2008

The year 2008, has just barely started when Allstate Insurance forwarded a note to their PRO preferred shops in southern Ontario that effective New Year's day, Allstate Insurance would be changing re-imbursed pricing levels.

Announced by Victor Pasnyk at Allstate were:

Body labour rate	\$50 per hour (same)
Paint re-imburement rate	\$27 per hour (up \$2)
Paint material cap	DROPPED (new)
Appearance allowance	20% can be charged by shop (new)
Mechanical labour rate	\$72 per hour (up \$2)

The biggest news was the announcement that Allstate would no longer demand, from their PRO shops, a 5-10 per cent discount allowance on parts used in the vehicle repair. A number of industry associations complained loudly in June of 2001, when Allstate first announced the parts discount demand.

“The dropping of the parts discounting demand is a positive step for shop profitability and has removed a possible sore spot in Allstate, Pembridge and Pafco Insurance companies and their relationships with their preferred vendors” says John Norris of the collision repair industry trade association. “Other vehicle insurers in the province are demanding parts discounting or looking at ways to lower their costs by removing parts profitability from shops, and we hope this positive step by Allstate sends a message that parts discounting is not to be part of the future for our industry.”

For more information on the collision repair industry including the latest paint re-imburement rates reported by shops in Ontario, please see: [www.ciaa.com](http://www.ciaa.com)

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