



CATA Bulletin

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Bill would show insurance limits on cards

The insurance card that must be carried with every vehicle, to show proof of insurance, would indicate the liability coverage limits applicable to that vehicle, under a bill currently before the Illinois House.

Representatives are debating House Bill 1335 to amend the Illinois Vehicle Code to include a declaration of coverage limits.

The cards currently do not identify insurance limits, and the state's powerful insurance lobby has been reluctant to include the information, supposing that persons in an accident who have higher insurance limits might be pursued more vigorously by lawyers than those with lesser limits.

The bill would help dealers. A law enacted in 2003 shifts insurance responsibility on loaner vehicles to the driver. The dealer's insurer is the secondary insurer on loaners and remains

primary on test drives.

However, if a customer's insurance policy does not have a 100/300/50 liability minimum (\$100,000 for bodily injury or death of any person; \$300,000 for bodily injury or death of any two or more persons in one accident; and \$50,000 for property damage), the dealer's insurance reverts to primary on the loaner.

When they issue a loaner, dealerships currently are often resigned to verbal declarations from customers that their insurance meets the liability minimums. In fact, many people cannot correctly recite their insurance coverage limits.

The bill has passed one reading in the House and now is before the Rules Committee. Bills with three favorable readings move to the General Assembly's second chamber for similar action.

Carfax pushing hard for accident data bill

Lobbyists for Carfax continue to solicit support for the Illinois Senate bill that would make available any accident reports related to a vehicle offered for sale in the state. Ten of the state's 59 senators have signed on as sponsors of SB 1839.

The General Assembly is in the midst of a two-week break, but the CATA is contacting senators, to defeat the bill when senators reconvene.

If SB 1839 becomes law, companies like Carfax, which markets vehicle history reports, would add accident information to their electronic reports. That would harm the values of used vehicles, including customer trade-ins.

Information contained in Carfax reports is dubious. When Carfax Vice President Gerry Bayer visited the CATA board in December 2003, he

SEE CARFAX, PAGE 2

NADA chairman supports financing transparency, but opposes rate caps

The matter of dealer-arranged financing is "a hot issue," said Jack Kain, and one about which he is prepared to travel far and wide to speak.

Kain's travels took him to San Diego March 18, to a convention of Illinois and Missouri dealers. Kain, the 2005 chairman of the NADA, reviewed the association's developing national campaign to educate consumers and the government on auto financing.

A proposal in California would set a \$150 limit on dealer profit for arranging loans, and several states recently enacted rate caps. But Kain said the industry is not complacent, and he pointed to the 2.5 percent to 3 percent caps that already have been adopted by the major finance companies.

"Transparency in the process is there. More regulations are unnecessary," Kain said.

"Most retail car buyers can't get the same rates that dealers can get," he said. "And economic evidence shows dealers do not charge more to customers than the banks would."

"The greatest challenge," said Kain, "is in the court of public opinion. But most customers are happy with their dealers," according to a survey commissioned by Automotive Retailing Today.

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Chrysler Sebring is top-selling convertible in record sales year

Convertible registrations in the U.S. reached record levels in 2004, with a 6.3 percent increase over last year, and the Chrysler Sebring repeated as the top-selling convertible. The 315,306 total convertible registrations surpassed the 2001 record of 309,741.

“The success of the convertible in 2004 is due to a strong overall automotive market and several new convertible introductions,” said Lonnie Miller of Polk. “Convertibles are considered a discretionary purchase, and as such a strong convertible market reflects an optimistic economic mood witnessed by the economic turnaround experienced in 2004.”

New convertible introductions in 2004 included PT Cruiser, Chevy SSR, BMW 645, Mini Cooper, Audi S4, Lotus Elise and Chrysler Crossfire.

Convertibles have held steady at 1.8 percent of the total market over the past three years. At 1.9 percent in 2004, convertibles are inching closer to 2 percent of the overall light vehicle market. The increase in the convertible market of 6.3 percent was significantly above the increase in light vehicle market registrations of 1.4 percent.

“Convertibles have become an integral part of many

manufacturers’ strategy,” said Miller. “They jazz up the brand’s overall vehicle portfolio, attract a desirable demographic and serve as showroom traffic builders. The introduction of hardtop convertibles is making them more appealing and practical for a broader range of customers. Planned new convertible introductions and freshened models will keep this category lively.”

Los Angeles and New York are the largest retail markets in the country for convertibles with more than double the amount of convertibles as the third largest market: Miami/Ft. Lauderdale. San Francisco came in fourth, followed by Chicago in fifth place.

Top convertible sales 2004 model year

Make	Units
Chrysler Sebring	37,147
Ford Mustang	33,235
Volkswagen Beetle	21,631
BMW 3	17,035
Chrysler PT Cruiser	15,137
BMW Z4	15,059
Toyota Solara	14,896
Mercedes-Benz SLK	13,185
Mercedes-Benz CLK	12,215
Ford Thunderbird	11,844

Carfax

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heard an earful about inaccuracies in Carfax reports.

Bayer assured the CATA directors that Carfax would not flag a vehicle if any information is found to be wrong. But, he conceded, an erroneous reading would not be removed from the report.

Accident-scene damage reports merely establish whether the harm is above or below a \$500 threshold. The reports do not indicate whether any damage should affect a vehicle’s resale value. Moreover, police officers are not damage experts; their interest is in assigning fault for an accident.

In less severe “fender benders,” the drivers themselves

often may complete the accident report, days later and with self-serving estimates of damage.

And even though inaccurate accident reports are common, a dealer who sells a used vehicle without disclosing prior damage—known or unknown—can face demands of a refund by purchaser or a lawsuit. It can take months for an accident report to weave its way to vehicle history marketers. Dealers who retail a trade-in during that interim could be subject to a suit.

Still, prosecuting attorneys in other states already point to Carfax reports as containing definitive information.

The CATA and the Illinois Automobile Dealers Association in Springfield are working together to defeat the bill. Dealers should voice concerns to their senate contacts.

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Review past editions or search by topic at www.cata.info/

Jerry H. Cizek III President, Publisher
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Americans with Disabilities Act

Some not-so-obvious conditions, like mental disabilities, also covered

Since the Americans with Disabilities Act took effect in 1992, individuals with various handicaps are protected. Businesses are required to make reasonable accommodations for their customers and employees with disabilities.

Dealers have a record of compliance when the disabilities are obvious. But sometimes they aren't.

A guidance memorandum issued by the Equal Employment Opportunity Commission states "the ability to interact with others" is considered to be a "major life activity." Therefore, anyone who exhibits "consistently high levels of hostility, social withdrawal, or failure to communicate when necessary" can be considered to be disabled.

A major concern when the ADA was introduced was its failure to define what constituted a "disability." That was left to the EEOC and the courts. Over the years, the EEOC added various forms of mental illness to the list of covered disabilities.

The basics are not new: Don't ask questions about mental health in interviews or on job applications. In any pre-employment testing, all acceptable candidates for a position must be subject to the same tests. It is the "reasonable accommodations" that may

present problems for dealers and create concerns for their employees.

Some concerns arise from the fear of the unknown and a misunderstanding of the nature of mental illness. As a result, there often is uncertainty about whether the psychiatrically disabled person presents a threat to the safety of co-workers—especially if medication is involved.

The EEOC also suggests how to accommodate employees who may be mentally disabled:

1. Rewrite the employee's job description to include only the essential functions. An employee who is unable to perform a job's essential functions, even with a reasonable accommodation, can be terminated.

2. Provide an opportunity for flexible hours, part-time work, job sharing, or working at home, if possible.

3. Allow employees to set their own pace. Supervisors, for instance, might break large jobs into smaller components and assign the components one at a time.

4. Try to minimize external interruptions like personal phone calls. Provide an accommodation by allowing more frequent breaks.

5. Improve the workplace ambience with things like "white noise" filters, improved lighting, and enclosed

workspaces.

Accommodations for physical disabilities have pretty well assimilated since 1992. There are some things, however, that dealers should keep in mind to alleviate resentment felt by non-disabled employees. Remember these observations:

- Not all disabilities are easily visible. Some employees, therefore, might think others are being coddled. Don't explain too much. Instead, offer something like "We're complying with the law."

- Keep all personnel files confidential. Any medical information should be kept on separate forms in a separate file.

- Strict dress codes may be considered a violation of the ADA for mentally disabled people, the EEOC has warned.

Indeed, it may be easier to accommodate mentally disabled employees than physically disabled staffers.

Also, know that employers are not required to lower their performance standards on the essential functions of a job—another reason to have good job descriptions for all dealership positions.

For a copy of the current EEOC Guidelines, call its publication distribution group at 800-526-7234.

April 6 seminar to review ad regs

Representatives of the Illinois attorney general's office will review the state's motor vehicle advertising regulations at an April 6 seminar at the CATA in Oakbrook Terrace. The presentation is 12-2 p.m. that day.

The seminar will focus on common regulation infractions and offer time for questions. Copies of the current regulations will be provided.

To register, call the Illinois Automobile Dealers Association at 800-252-8944. The IADA charges a \$25 registration fee for each attendee..

Financing

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The NADA campaign promotes four messages:

- Dealerships offer the convenience of one-stop shopping;

- Dealerships have access to many credit sources;

- Dealerships offer competitive rates and have exclusive access to manufacturer

incentives and discounts; and

- Customers unhappy with the finance terms offered through a dealership can refinance elsewhere without penalty.

"Every customer," said Kain, "should be treated in an open and honest manner and be well informed about all aspects of the transaction."

Scam alert

Dealerships are advised to use caution in delivering any vehicles to Houston, Texas, or in selling any vehicle to Barbara Sims or Barbara Kuslar. U.S. Secret Service special agent Sean Moore said the woman's identity has been stolen. A Hawk alert has been placed on the woman's credit report, but Moore asks dealers to contact him immediately at 312-353-5431 if the woman's identity is presented to buy a vehicle.

Marketplace

Office Manager 28 years' experience. Strong background in all aspects of accounting. Natural and persuasive communicator, recognized among colleagues for keen ability to energize and inspire individuals to work towards common goal. Linda Bodene, 630-833-1720.

Chi-Town Sta-Bil Kruze to roll June 4

Owners of up to 2,000 classic cars are expected to take part in a rare opportunity to cruise along Chicago's historic Lake Shore Drive, during the inaugural Chi-Town STA-BIL Kruze on June 4.

The participating cars will create a loop from Montrose Street to 31st Street as they showcase their nostalgia while driving with local traffic. The cars then will gather at Soldier Field for a Classic Car Show.

The Kruze is open to all road-approved vehicles, but there is a \$20 registration fee to participate in the Soldier Field segment, which is limited to the first 750 pre-1980 cars.

The Kruze is 8-10 a.m. The Car Show is 11 a.m.-3 p.m. For more details and to register, see www.chitownkruze.com

Gold Eagle, a producer and marketer of brands like STA-BIL fuel stabilizer, is the event's presenting sponsor. The company was founded in Chicago more than 70 years ago.

The event's official media partner is WJMK-FM, 104.3 Radio. Station General Manager Dave Robbins said he plans "to make the Kruze the Chicago car enthusiast's high point of the year."

The not-for-profit Chi-Town Kruze Organization consists of a number of local business owners with a passion for automobiles.

Congratulations!

American Honda Motor Co. bestowed the 2004 President's Award to four area Honda dealerships, for outstanding sales and customer service. Recipients include **Honda Motorwerks** (Barrington), **Honda Superstore of Lisle**, **Bill Kay Honda** (Bourbonnais) and **Muller Honda** (Highland Park).

Bredemann Ford in Glenview, **Conlon-Collins Ford** in Crystal Lake, **Gjovik Ford-Mercury** in Sandwich, **Art Hill Lincoln Mercury** in Merrillville, Ind., **Kronon Motor Sales** in Chicago, **Roto Lincoln Mercury** in Arlington Heights, and **Terry's Ford Lincoln Mercury** in Peotone were named winners of Ford Motor Co.'s 2004 Year-End Genuine Challenge.

Cadillac named 80 dealers as SFE Platinum dealers, for outstanding sales, service and customer satisfaction. Local winners include **Arnie Bauer Cadillac Co.**, Matteson; **Ettleson Cadillac, Inc.**, Hodgkins; and **Frank Shirey Cadillac, Inc.**, Oak Lawn.

Mancari's Chrysler-Jeep (Oak Lawn), **Mancari's of Des Plaines**, and **Mancari's of Orland Hills** are among winners of this year's DaimlerChrysler Service Contracts Inner Circle. The award recognizes top DaimlerChrysler dealerships that sell service contracts for

vehicle protection.

Acura of Libertyville and **McGrath Acura of Morton Grove** were named to the 2004 Acura Precision Team-Dealerships of Distinction, the automaker's highest honor. In all, 42 U.S. Acura dealers won the award.

General Motors Acceptance Corporation named eight area dealers as GM Protection Plan President's Circle winners, for top sales in 2004 of the GM protection plan and MRP vehicle service contracts. Winners include Gerard Haggerty Jr., **Jerry Haggerty Chevrolet**, Glen Ellyn; William Haggerty, **Haggerty Pontiac-GMC**, Villa Park; Lee Hoskins, **Hoskins Chevrolet**, Elk Grove Village; William Koloseike, **Bill Kay Chevrolet**, Lisle; Dan Kurtz, **Sunrise Chevrolet**, Glendale Heights; Mike Rakos, **Bolingbrook Chevrolet**; Mike Van Iten, **Village Pontiac-GMC**, Naperville; and Steve Zazove, **Howard Pontiac-GMC**, Elmhurst.

Art Hill, Inc., and **Art Hill Lincoln Mercury**, both in Merrillville, Ind.; **Metro Ford Sales & Service**, Chicago; **River Oaks Ford**, Calumet City; and **River View Ford**, Oswego, were awarded the Partners in Quality Award for 2004 by Ford Motor Credit Co.