MADA
Minnesota Automobile Dealers Association

News
September 2013

Insurance News

Dealerships' Responsibility to Provide Health Exchange Notices

The Affordable Care Act requires employers subject to the Fair Labor Standards Act to provide a notice regarding the new health insurance exchanges. Full-time and part-time employees must receive the notice regardless whether they are enrolled in a dealer's health plan.

When must the Notice be provided?

The notice must be provided no later than October 1, 2013. New employees must receive the notice within 14 days of being hired. Dealerships are not required to provide a separate notice to dependents or other individuals.

Enclosed is a model notice dealers can use to comply with the Minnesota notice requirement. For employees residing outside Minnesota, the Federal Exchange Notice can be found at http://1.usa.gov/169aQmQ

Who is eligible to enroll in an Exchange?

Any employee may purchase insurance through an Exchange. However, employees who opt-out of an employer's qualified health insurance plan will not be eligible for premium tax credits and will forfeit any applicable pre-tax employer contribution. In most cases, this will make purchase of insurance through an Exchange less attractive for eligible employees. Generally, citizens and legal residents in families with incomes between 100% and 400% of poverty who purchase coverage through a health insurance exchange would otherwise be eligible for a premium tax credit.

Individuals offered coverage through an employer's group health plan are not eligible for premium tax credits unless:

1. the employer plan does not have a minimum value of at least 60%, or

Dealerships' responsibility... *continued on page 2*

inside

Disaster relief is special session focus
FTC cracks down on advertisers
Unclaimed property never expires

upcoming events

sep 18 — Title Basics, Minneapolis

oct 8 — Body Shop Estimating Best Practices; Service & Body Shop Sales & Closing; Minneapolis

oct 9 — State of the Industry for Collision & Service Operations, Hugo

visit www.mada.org for details and registration for the complete list of Upcoming Events and Training

Scott Lambert, Executive Vice President ▪ 200 Lothenbach Ave. ▪ West St. Paul, MN 55118 ▪ (651) 291-2400 ▪ 1-800-652-9029 ▪ FAX (651) 291-2894

Dealerships' responsibility... (cont. from cover)

2. the employee's share of the premium for employer-sponsored employee-only insurance exceeds 9.5% of household income.

Most Americans will continue to get insurance through their jobs, not via the exchanges. Undocumented immigrants will be barred from buying insurance on the exchanges.

How is "Minimum Value" calculated?

A plan provides "minimum value" if the percentage of "allowed costs" expected to be paid by the plan (and not an employee) in the aggregate is at least 60%. Employees typically pay costs through such things as deductibles, co-insurance and co-payments. These payments are often called "cost sharing" or "out of pocket." The higher the employees' cost sharing, the lower the plan's expected share of the total allowable costs.

All MADA Insurance health insurance plans meet the minimum value criteria.

Employers may want to use the Minimum Value Calculator posted by The Center for Consumer Information & Insurance Oversight to determine if their plan meets the minimum value requirements (http://go.cms.gov/169bgty).

What tax penalties apply?

None during 2014. The Administration has deferred the employer mandate until 2015. If reinstituted, the mandate will apply only to large employers – those having 50 or more fulltime equivalent employees beginning during 2015. So, even if a health plan does not meet the affordability and/or minimum value criteria and an employee enrolls in an Exchange, there is no tax penalty to a dealership during 2014.

What is MNsure?

MNsure is the new online marketplace where eligible Minnesotans will be able to purchase health insurance. Minnesota elected to establish its own health insurance exchange and opted out of the Federal Exchange. Individuals who reside outside Minnesota should determine what Exchange options they have through their state of residence.

MNsure offers a website (www.mnsure.org) where individuals can search and compare plans and a hotline (1-855-366-7873) to talk with representatives about options.

Changes to COBRA Notice

Employees and dependents becoming eligible for COBRA have the option to purchase coverage through the Exchange/Marketplace and potentially receive a premium subsidy. The model COBRA notice that employers and COBRA administrators use has been revised to include information about the Marketplace. For employers participating in the MADA Insurance Group Benefits Plan, this form will be provided to eligible participants by the plan's COBRA administrator.

MADA
Minnesota Automobile Dealers Association

The Minnesota Automobile Dealers Association is a non-profit trade association dedicated to the progress of the retail auto industry in Minnesota.

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Steve Brimhall, *Minnesota Motor Company, Fergus Falls*
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Legislative News

Special Session Called to Address Disaster Relief

The Minnesota Senate and House of Representatives convened on September 9th for a short special session to provide disaster relief related to the June, 2013 storms. The bills (SF1 and HF1) passed the Senate, 59-0, and the House, 127-1.

The bill's provision of $4.5 million qualifies as the state and local "match" required by the federal government for costs related to the June storms. The counties listed in the disaster declaration, who qualify for the bulk of the $4.5 million, are: Benton, Big Stone, Douglas, Faribault, Fillmore, Freeborn, Grant, Hennepin, Houston, McLeod, Morrison, Pope, Sibley, Stearns, Stevens, Swift, Traverse and Wilkin.

Also included in the bill was $219,141 in debris cleanup from the state's general fund for other disaster costs in Nobles county, Rock county and the city of Worthington. These costs were related to ice storms which hit earlier in April.

Prior to the start of the special session, legislative leaders and the Governor signed an agreement stating that the only official legislative action would be related to the agreed-upon disaster relief bill. However, several bills were introduced by legislators to repeal many of the business-to-business taxes such as the warehousing and farm equipment repair tax. Additionally, bills were introduced to repeal the controversial daycare unionization bill and tackle unfinished issues from last session such as bullying. As expected, no other business other than the disaster relief was formally heard.

Governor Dayton signed the bill shortly after its passage. The legislature will reconvene on February 25, 2014.

visit us online at www.mada.org

FTC Cracks Down... (cont. from back cover)

failed to disclose adequately that consumers would need to qualify for a series of smaller rebates not generally available to them. The complaint further alleges that, in many instances even if a consumer qualified for all the rebates, the cost of the vehicle was still greater than the advertised price.

Ganley Ford advertised its discounted vehicles on its website and in local newspapers, and it allegedly failed to disclose that its advertised discounts generally only applied to more expensive versions of the vehicles advertised.

The FTC announcement is here (http://1.usa.gov/14WmdEG) along with links to images of the deceptive ads.

Save the Date

MADA's 2013 Annual Meeting & Luncheon

Coming

to the Minneapolis Hilton
11:45 am

Collision and Service Update

MADA

Collision & Service Council

A Clear Voice for Dealership Collision and Service Centers

by Mark Morcomb
C&S Council president

Advisory Committee members who lead MADA's Collision & Service Council recently elected officers. Tony Simoneau is the secretary/treasurer and I will serve as president of the Council for the year.

Although this is a relatively new Council, the agenda includes important Dealership Collision, Service & Parts-specific issues such as regulatory, consumer, marketing, education and legislation. We continue to be proactive in areas such as insurance steering, PartsTrader, continuous education and industry training classes for our members. While the State Farm PartsTrader event was well attended and informative, several questions remain.

We are pro-dealership in the collision, service and parts industry and currently we're the only group of this type in the U.S.

Our first membership year is going strong with events planned such as the October 9th Pheasant Hunt. The event is combined with a "State of the Industry" presentation by Mike Anderson, a national fixed operations speaker & trainer. We hope to see you there.

Consumers can use the MADA website directory to choose a collision or service center and members get updated information about certification opportunities, training and other offerings.

Please contact any one of the Advisory Committee members below with questions and/or suggestions. If you haven't joined yet, please consider a membership for your collision, service or parts employees.

Convenient online registration is on the MADA website or you can print an application and fax to 651-291-2894.

President Mark Morcomb – Luther Automotive
Secretary/Treasurer Tony Simoneau – Buerkle Collision
Tony Gerlach - Arrow Collision Center
Randy Jacobi - Dondelinger GM
Wayne Nielsen – Viking Collision
Brian Steffensmeier - Snell Motors
Sid Osterman - The Body Works (Mills)
Steve Weisenberger – Luther Automotive

MADA News

Board Elections Underway

Many dealers have already received their ballots for the election of MADA Board members. Dealers in MADA Districts, 2, 3, 4, 5, 7 and 8 will be voting for representatives to serve two-year terms on the Board. If you do get a ballot, please take a moment to fill it out and return it in the envelope provided.

MADA News

Alyssa Schlander Leaves MADA

We are very sorry to inform the membership that Alyssa Schlander has left MADA for a corporate job. She will be the new Senior Counsel for Securian, a St. Paul-based life insurance company. Alyssa will be greatly missed. A search for her replacement is underway.

Minnesota Auto Outlook

Covering the Minnesota automotive market **Data thru June 2013**

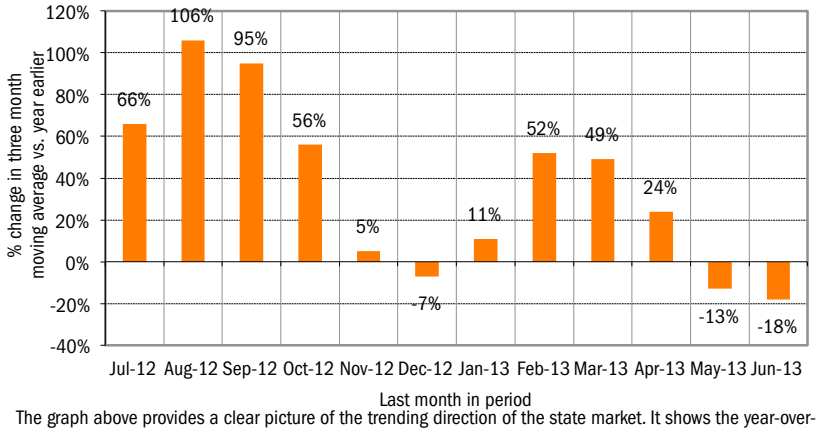
Released by: Minnesota Automobile Dealers Association

Minnesota New Retail Car and Light Truck Registrations

	Most Recent Two Months			YTD thru June			YTD Market Share		
	5/12 & 6/12	5/13 & 6/13	% change	2012	2013	% change	2012	2013	change
Industry Total	44,888	30,751	-31.5%	105,900	99,952	-5.6%			
Cars	20,403	13,754	-32.6%	44,327	41,782	-5.7%	41.9	41.8	-0.1
Light Trucks	24,485	16,997	-30.6%	61,573	58,170	-5.5%	58.1	58.2	0.1
Japanese Brands	13,949	10,868	-22.1%	32,321	32,866	1.7%	30.5	32.9	2.4
Toyota	5,406	4,308	-20.3%	12,091	12,577	4.0%	11.4	12.6	1.2
Honda	3,511	3,167	-9.8%	8,559	8,932	4.4%	8.1	8.9	0.8
Nissan	2,326	1,491	-35.9%	5,545	4,943	-10.9%	5.2	4.9	-0.3
Other	2,706	1,902	-29.7%	6,126	6,414	4.7%	5.8	6.4	0.6
Domestic Brands	23,618	15,376	-34.9%	56,758	53,008	-6.6%	53.6	53.0	-0.6
General Motors	10,360	6,312	-39.1%	24,726	22,505	-9.0%	23.3	22.5	-0.8
Ford	8,144	5,753	-29.4%	20,324	19,661	-3.3%	19.2	19.7	0.5
Chrysler	5,114	3,300	-35.5%	11,708	10,831	-7.5%	11.1	10.8	-0.3
Other	0	11		0	11				
European Brands	3,061	2,305	-24.7%	7,729	6,774	-12.4%	7.3	6.8	-0.5
Volkswagen	1,531	1,018	-33.5%	3,921	3,174	-19.1%	3.7	3.2	-0.5
BMW	780	721	-7.6%	1,718	1,768	2.9%	1.6	1.8	0.2
Mercedes	327	329	0.6%	1,074	1,065	-0.8%	1.0	1.1	0.1
Other	423	237	-44.0%	1,016	767	-24.5%	1.0	0.8	-0.2
Korean Brands	4,260	2,202	-48.3%	9,092	7,304	-19.7%	8.6	7.3	-1.3

Brands included above: Domestic Brands: GM (Buick, Cadillac, Chevrolet, and GMC), Ford (Ford and Lincoln), Chrysler (Chrysler, Dodge, and Jeep). Japanese: Toyota (Toyota, Lexus, and Scion), Honda (Honda and Acura), Nissan (Nissan and Infiniti), Other (Mazda, Mitsubishi, Subaru, and Suzuki). European: VW (Audi, Bentley, and Volkswagen), BMW (BMW, Rolls Royce, and MINI), MB (Mercedes Benz), Other (Aston Martin, Ferrari, Fiat, Jaguar, Land Rover, Lotus, Maserati, and Volvo). Korean: Hyundai and Kia.
Data Source: AutoCount data from Experian Automotive.

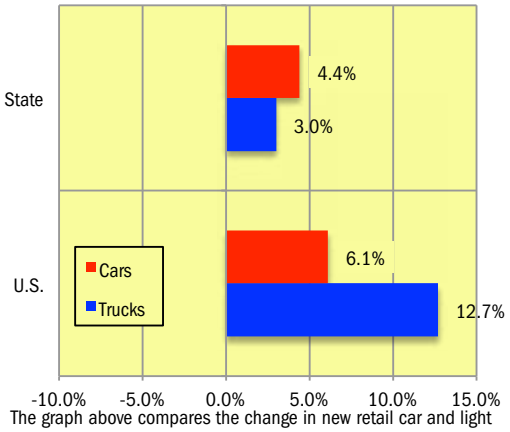
Percent Change in Three Month Moving Average of New Retail Registrations versus Same Period Year Earlier



The graph above provides a clear picture of the trending direction of the state market. It shows the year-over-year percent change in the three month moving average of new retail light vehicle registrations. The three month moving average is less erratic than monthly registrations, which can fluctuate due to such factors as the timing of manufacturer incentive programs, weather and title processing delays by governmental agencies.

Data Source: AutoCount data from Experian Automotive.

Percent Change in State and U.S. New Retail Light Vehicle Markets YTD '13 thru May vs. YTD '12



The graph above compares the change in new retail car and light truck registrations in both the state and U.S. markets. **Note: percent change is for YTD 2013 thru May vs. YTD 2012. Final U.S. Figures for June 2013 were not available.**

Data Source: AutoCount data from Experian Automotive

Data Information

All data represents new vehicle retail registrations in Minnesota and excludes fleet and wholesale transactions. Monthly recording of registrations occurs when the data is processed by the DVS. **Please keep in mind that monthly registration figures can occasionally be subject to fluctuations, resulting in over or under estimation of actual results. This usually occurs due to processing delays by governmental agencies.** Data Source: AutoCount data from Experian Automotive.

Minnesota
New Retail Light Vehicle Registrations

	Registrations			Market share	
	YTD '12 thru June	YTD '13 thru June	% change	YTD '12 thru June	YTD '13 thru June
TOTAL	105,900	99,952	-6%		
Acura	621	688	11%	0.6%	0.7%
Audi	726	691	-5%	0.7%	0.7%
BMW	1,333	1,390	4%	1.3%	1.4%
Buick	1,994	2,045	3%	1.9%	2.0%
Cadillac	709	775	9%	0.7%	0.8%
Chevrolet	17,862	15,983	-11%	16.9%	16.0%
Chrysler	2,801	2,031	-27%	2.6%	2.0%
Dodge	3,026	3,512	16%	2.9%	3.5%
Fiat	163	160	-2%	0.2%	0.2%
Ford	19,694	19,059	-3%	18.6%	19.1%
GMC	4,161	3,702	-11%	3.9%	3.7%
Honda	7,938	8,244	4%	7.5%	8.2%
Hyundai	4,145	3,495	-16%	3.9%	3.5%
Infiniti	508	481	-5%	0.5%	0.5%
Jaguar	24	32	33%	0.0%	0.0%
Jeep	3,423	2,681	-22%	3.2%	2.7%
Kia	4,947	3,809	-23%	4.7%	3.8%
Land Rover	212	218	3%	0.2%	0.2%
Lexus	925	1,060	15%	0.9%	1.1%
Lincoln	629	602	-4%	0.6%	0.6%
Mazda	1,833	1,923	5%	1.7%	1.9%
Mercedes	1,064	1,056	-1%	1.0%	1.1%
MINI	385	378	-2%	0.4%	0.4%
Mitsubishi	387	415	7%	0.4%	0.4%
Nissan	5,037	4,462	-11%	4.8%	4.5%
Porsche	90	82	-9%	0.1%	0.1%
Ram	2,458	2,607	6%	2.3%	2.6%
smart	10	9	-10%	0.0%	0.0%
Subaru	3,748	3,938	5%	3.5%	3.9%
Toyota/Scion	11,166	11,517	3%	10.5%	11.5%
Volkswagen	3,187	2,478	-22%	3.0%	2.5%
Volvo	457	266	-42%	0.4%	0.3%
Other	237	163	-31%	0.2%	0.2%

Top ten ranked brands in each percent change category are shaded green.

Data Source: AutoCount data from Experian Automotive.

Experian Automotive is the data provider for Auto Outlook.

This report is sponsored by the Minnesota Automobile Dealers Association (651-291-2400) and produced by Auto Outlook (800-206-0102).

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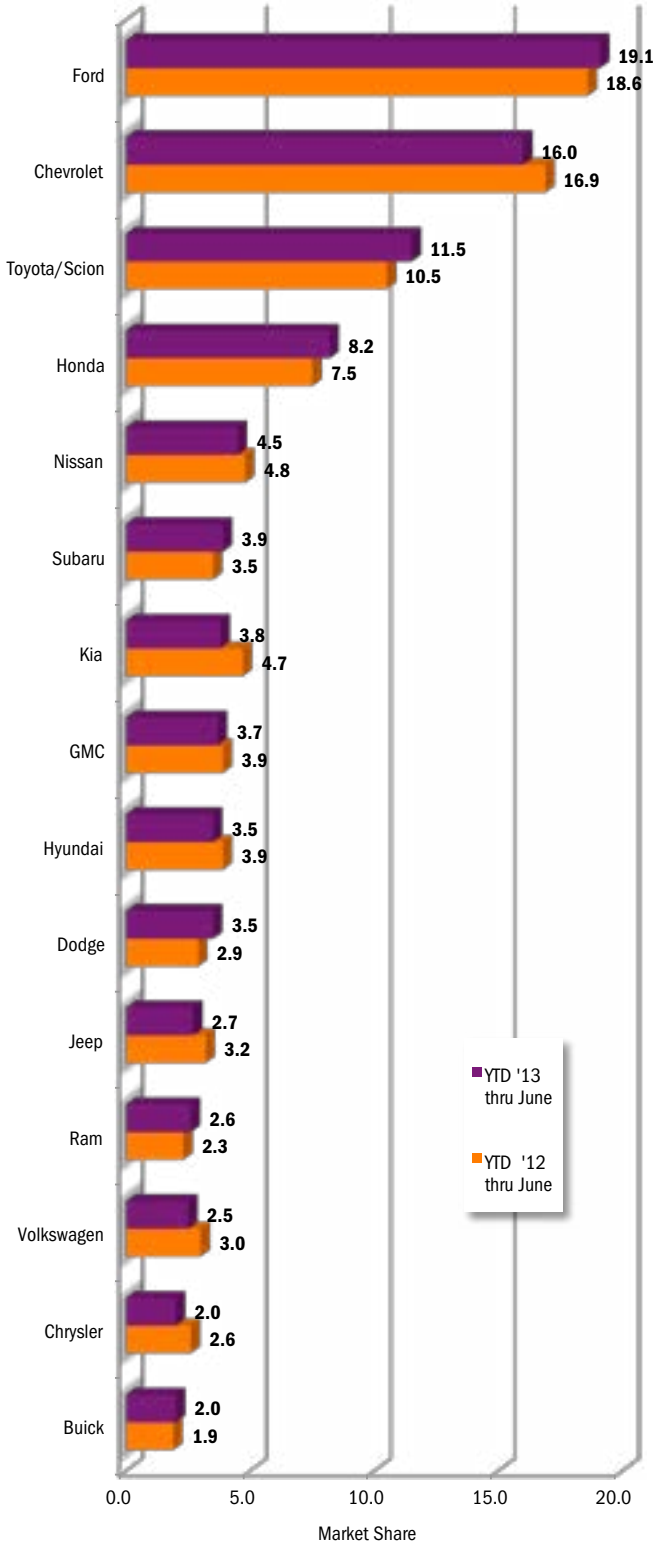
State Market Share for Top 15 Selling Brands
YTD '13 thru June vs. YTD '12



Data Source: AutoCount data from Experian Automotive.

FAQ

Q: We wait a year for accounts payable checks to clear. If not, we cancel them. Can we keep the money?

A: No. Minnesota law requires banks, insurance companies, hospitals, utilities and regular businesses to review their records each year to determine if they possess any unclaimed property. If they do, they are required to file a report with the Minnesota Commissioner of Commerce.

Dealers, like all retailers, are covered by the requirements and should make the assessment a part of their regular accounting and yearly procedures. Unclaimed property includes various types of intangible personal property that has been abandoned for three years or more.

Common types of unclaimed property for dealers include accounts payable vendor checks, customer credit balances, service contract refunds, DVS fee refunds and prepaid order out parts.

Check the Minnesota Department of Commerce website for additional information at http://bit.ly/14WmPdB.

NADA News

NADA Convention in New Orleans

New Orleans, one of the world's most fascinating cities, will be the site of the 2014 NADA Convention, January 25-27. Steeped in a history of influences from Europe, the Caribbean, Africa and beyond, New Orleans is a unique melting pot of culture, food and music. Make plans now for your trip to the Big Easy.

You won't want to miss this while you are there!
We are very excited to announce the MADA brunch for members will be held at the National World War II Museum, Sunday, January 26th, from 11 am - 2:00 pm. Stay tuned for more details.

MADA
Minnesota Automobile Dealers Association

Endorsed Service & Vendors

Computerized Vehicle Registration
CVR

F&I Products
Protective

Dealership Marketing
Visible Customer

Group Health Insurance
Blue Cross Blue Shield of MN
Delta Dental
ReliaStar Life

Workers Compensation
Ensure Agency
Midwest Family Mutual

Dealer Bond Program
Ensure Agency

Collections
Springer Collections

Check Guarantee/Credit Card Processing
FIS / Certegy

Disability Income Insurance & Section 125 Cafeteria Plans
American Fidelity Assurance

OSHA, EPA & DOT Compliance/Training
ComplyNet Corporation

Fleet Fueling Program
SuperAmerica

Office Supplies
S & T Office Products

Uniforms and Linen Services
AmeriPride Linen & Apparel Services

Hole-In-One Insurance
Hole-In-One-USA

Pre-Paid Legal, Jim Gavin
Identity Theft Shield & Pre-Paid Legal Services

MADA
Services Incorporated

MADA Services sells a wide variety of products directly to the dealers including business forms, clothing and promotional items. For a full review of options, contact your sales representative at 651-291-2400 or go to *www.mada.org*

Minnesota Automobile Dealers Association
200 Lothenbach Avenue
West St. Paul, MN 55118

ADVOCACY ▪ EXPERTISE ▪ EDUCATION ▪ COMMUNICATION

MADA NEWS ▪ SEPTEMBER 2013

Legal News

FTC Cracks Down on Auto Advertising

The Federal Trade Commission continues its crackdown on deceptive motor vehicle dealer advertising practices. The Commission announced settlement agreements earlier this month which prohibit two new car dealers from advertising discounts or prices unless the ads clearly disclose any qualifications or restrictions.

... violated the FTC Act by advertising discounts and prices that were not available to a typical consumer.

Informed industry sources claim that these two enforcement actions stemmed from consumer complaints and subsequent secret shoppings by the Commission. The sources also warn that more advertising enforcements are yet to be announced.

The dealers - one each from Maryland and Ohio - agreed to settle charges that they falsely advertised the cost or available discounts for their vehicles. The FTC charged that Timonium Chrysler, Inc. of Cockeysville, Md. violated the FTC Act by advertising discounts and prices that were not available to a typical consumer. Ganley Ford West, Inc. in Cleveland was also charged with misrepresenting that vehicles were available at a specific dealer discount, when in fact the discounts only applied to specific and more expensive models of the advertised vehicles.

Timonium Chrysler's website touted specific "dealer discounts" and "internet prices," but allegedly

FTC Cracks down... *continued on page 3*

MADA
Minnesota Automobile Dealers Association

Education
Fax Registration

FAX REGISTRATION TO: 651-291-2894
Denise Anderson denise@mada.org

	Class Options	Circle Preferred Date	Location
The Certified Title & Registration Program	**Sales Tax** 9:00 a.m. - 10:00 a.m. $99	**Nov. 12, 2013 or Jan. 14, 2014**	**Doubletree by Hilton - Park Place** 1500 Park Place Blvd Minneapolis, MN 55416 651-789-2950 Registration includes lunch, sponsored by CVR
	New to Fleet 10:30 a.m. - 12:30 p.m. $99	**Nov. 12, 2013 or Jan. 14, 2014**	
	Minnesota Titles and Transfers 1:00 p.m. – 3:00 p.m. $99	**Nov. 12, 2013 or Jan. 14, 2014**	

	Class Options	Circle Preferred Date	Location
Title Basics	**Title Basics – Minneapolis** 1:00 p.m. - 4:00 p.m. $199	**Sep. 18, 2013**	**Doubletree by Hilton - Park Place** 1500 Park Place Blvd Minneapolis, MN 55416 651-789-2950
	Title Basics – St. Cloud 1:00 p.m. - 4:00 p.m. $199	**Nov 14, 2013**	**Homewood Suites** St. Cloud, MN 56303

	Class Options	Circle Preferred Classes	Location
Best Practices in Fixed Operations	**Estimating Best Practices** 7:30 a.m. – 12:00 noon	**Oct. 8, 2013**	**Doubletree by Hilton - Park Place** 1500 Park Place Blvd Minneapolis, MN 55416 651-789-2950
	Sales & Marketing Best Practices 12:30 p.m. – 5:00 p.m.	**Oct. 8, 2013**	

	Class Options	Circle Preferred Date	Location
State of the Industry for Collision & Service	**Council First Annual Event** State of the Industry and Pheasant Hunt/Sporting Clays	**October 9, 2013**	**Wild Wings, Hugo**

Name_____

Name_____

Dealership_____

Phone_____ E-mail_____

For Information on these classes or to register online go to www.mada.org/training

Marketing intelligence shared by Visible Customer

Big Data… Big Deal!

A recent white paper published by the DMA (Direct Marketing Association) was written by the Winterberry Group and sponsored by some of the top data management companies in business today including Equifax, Harte Hanks, Experian and others. This white paper clearly demonstrates that Big Data is becoming a big deal in all marketing efforts across all your target markets.

In fact, of the marketers questioned, **89% stated that their company's marketing efforts and performance** were Very Dependent or Somewhat Dependent on consumer data. So how can you get started utilizing your data?

1. *Take a minute and determine what data you have.* Don't forget your DMS, CRM, ILM, OEM lists and more!
2. *Get your Data organized and accessible.* Not only will this help you create a benchmark to measure your efforts against, but it will also help you and your team while developing your plan.
3. *Find a partner who can help to create a plan for you or create one internally.* Creating and following a simple plan is paramount to success.
4. *Start!* Even if it is just one small campaign, start implementing your data-driven campaigns – the results will surprise you and increase your motivation.
5. *Measure.* This is key: constant, regular measurement will help motivate and fine-tune your data-driven efforts. When you see your positive return on investment (ROI) of time and dollars, you will understand why Big Data is now considered a Big Deal.

First Annual MADA Council Event ▪ Wednesday, October 9, 2013

Agenda

8:30 a.m. – noon ***"State of the Industry for Collision and Service Operations"***
Presented by Mike Anderson, national speaker and trainer
Noon – 1:00 p.m. Lunch
1:00 p.m. – 4:00 p.m. Pheasant Hunt & Shooting Clays
4:00 p.m. – 5:00 p.m. Reception

Location: Wild Wings of Oneka
9491-152nd Street North
Hugo, MN

Cost: Council members: $40 Non-Council members: $85

Cost Includes:

- Continental breakfast
- "State of the Industry" – presented by national fixed operations speaker and trainer, Mike Anderson
- Ham and wild game luncheon buffet
- Hunt & Clays
- Guide and dog* with each group
- Shells
- Prizes
- Reception
- No license required

* If you would like to bring your own dog, only well-trained hunting dogs will be permitted on the hunt.

Space will be limited. Collision & Service Council members receive first option to register so secure your reservation now.

MADA Collision & Service Council

REGISTRATION

Individual or Teams
____ I'll hunt, and here is my group of 4
____ I'll shoot sporting clays and here is my group of 5

(1) Name_____
Dealership/Co_____
email_____ phone_____

(2) Name_____
Dealership/Co_____
email_____ phone_____

(3) Name_____
Dealership/Co_____
email_____ phone_____

(4) Name_____
Dealership/Co_____
email_____ phone_____

(5) Name_____
Dealership/Co_____
email_____ phone_____

To Register: Email this form to denise@mada.org, fax to 651-291-2894 or register online at www.mada.org/training. Your dealer services account will be billed directly. A confirmation with additional details will be mailed mid-September. Any questions, please contact Denise Anderson at 651-789-2950 or denise@mada.org.