

WANADA Bulletin # 32-03

August 11, 2003

CONGRESSIONAL UPDATE:

Assn. Hlth. Plan Bill Moves to Senate

MD & VA Senators Among Those Not Yet On Board

Six weeks after the House approved the Association Health Plan bill (H.R. 660 – The Small Business Health Fairness Act of 2003) with a strong bipartisan vote, 262-162, the outlook for the Senate bill (S. 545) remains unclear. So, while both the House and the Senate are recessed until September 2, 2003, The Association Healthcare Coalition (TAHC) is encouraging its member associations, including WANADA, and their memberships to contact their senators in support of this legislation.

TAHC reports that many continue to be uncommitted on the AHP bill, including, Maryland Senators Barbara Mikulski (D) and Paul Sarbanes (D) and Virginia Senators George Allen (R) and John Warner (R). However, a number of senators

have indicated that they are leaning in the direction of supporting the legislation and will be taking a closer look at the bill soon.

Senate Majority Leader Bill Frist (R-TN) and Sen. Judd Gregg (R-NH), chairman of the Senate Committee on Health and Education, are both considering holding hearings on

the “uninsured problem” and small business health concerns sometime this fall (likely in late September or October), and the AHP legislation will be a prime topic of discussion.

Senator Frist’s staff has had discussions on this legislation with Bush Administration officials, who have indicated

(Continued on page 2)

INSURANCE UPDATE:

Dealers With WANADA Insurance Trust Get a “Premium Holiday” This Fall *One Month Free for Life & Short-Term Disability*

Here’s one benefit dealers won’t find anywhere else: Thanks to an efficient, well-run WANADA Insurance Trust which has resulted in a healthy surplus of funds, the association’s Employee Benefits Committee has approved a one-month-a-year “premium holiday” for participants in its life/AD&D and short-term disability (STD) programs. We expect this year’s premium holiday month to be either October or November.

Unlike WANADA’s health coverage program, which has been converted from a trust to an agency to contain costs and improve services to members, the life/AD&D, short-term disability and dental programs are still held in a trust that operates these programs. Because the trust has been doing well for a prolonged period of time, it has accumulated a surplus.

“It was decided that the most beneficial option is to return the money to members in the form of a premium holiday,” explained John O’Donnell, WANADA vice president for insurance. “With every 12-month period of coverage, WANADA will randomly declare one month a premium holiday and notify everyone who participates in our life and short term disability programs.”

(Continued on page 2)

Inside...

Dealer Alert:

- Purse/Vehicle Theft.....p.2
- Dieter Zetsche to Keynote
2004 NADA Convention..p.3
- Tire Rule Overturned.....p.3
- MC Tops in Land Use.....p.3
- VA Ads “Dos & Don’ts”p.4
- Invoice Scam Alert.....p.4
- ASE Test Reminder.....p.4

DEALER ALERT: Vehicle/Purse Theft

Det. Tim Garrett of the Fredericksburg, Va., Police Department is warning Washington area dealers to be aware of a thief who stole an employee's purse from a Woodbridge dealership on July 31, and on August 1 stole two cars from a Fredericksburg dealership. This individual, who may be working with an accomplice, may strike again.

At the Woodbridge dealership, the suspect is believed to have entered one office and climbed through an inter-office window to get into the office where the purse was

taken. The Fredericksburg police, who were also investigating a vehicle theft at a local dealership by an individual fitting a similar description, recovered the purse – minus cash and credit cards.

The suspect entered the Fredericksburg dealership 15 minutes before closing and asked to use the restroom. He was later found wandering through the Service department. He said he was looking for the restroom and left through the same door he entered. But the police believe he either let another unknown suspect into the building, left a door unlocked that he re-entered, or entered with the cleaning crew, which arrived a short time later.

Using keys in the service department, the suspect drove one vehicle to the end of the service bay, but could not figure out how to get the door open. He then took a second vehicle, driving it for two miles before bringing it back because it was low on gas. He took a third vehicle, which has not been recovered. That vehicle is a silver 2002 Jeep Cherokee, Virginia tag JAA 6322.

The suspect is described as a black male, mid-to-late 20s, 5'7" to 5'10", and 250-260 pounds with a large stomach. In both cases, the suspect was wearing a large, faded, untucked T-shirt; gray cotton, plain sweat pants; and white, high-top *Nike* tennis shoes with a red "swoosh" logo, without socks. He was seen with a large black plastic trash bag with

yellow drawstrings.

Anyone who remembers this suspect in your dealership – especially if you have video of the suspect – is asked to contact Det. Tim Garrett at the Fredericksburg Police Department, (540) 372-1053.

AHP Legislation

(Continued from page 1)

their strong support for the AHP legislation. In his August 2, 2003 weekly radio address, President Bush said that "Congress needs to let small businesses join together to purchase health insurance for their employees."

"If the AHP legislation is to be approved by the Senate, *it is imperative that associations increase their grass roots efforts to lobby senators who have not yet agreed to support the Senate bill,*" says TAHC Executive Director Duane Musser.

This is an important issue to small businesses nationwide because of its potential to make employee benefits affordable. A copy of a sample letter to your senators, which outlines the TAHC position, is enclosed with this WANADA Bulletin.

Premium Holiday

(Continued from page 1)

"So you now will only have to pay for 11 months to get 12 months of coverage," he added. And it truly is free, with no strings attached. We will have this premium holiday feature until the cash is exhausted, which will take years."

O'Donnell said that this type of reimbursement of excess funds to policyholders is only possible through an insurance trust, as opposed to illegal "rebating" by a broker. "I believe this gives us a major advantage in an increasingly competitive, high cost, and selective marketplace," said O'Donnell.

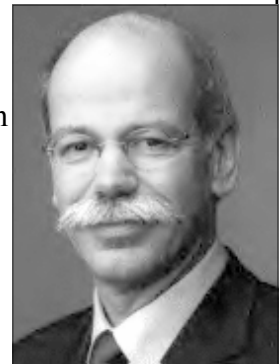
For more information, contact John O'Donnell at WANADA, (202) 237-7200 office, e-mail: jod@wanada.org.

NEWS NOTES:**Dieter Zetsche to Keynote 2004 NADA Convention**

Dieter Zetsche, CEO and president of the Chrysler Group, will be the keynote speaker at NADA's 87th Annual Convention and Exposition, in Las Vegas, January 31-February 3, 2004. Zetsche will present his views on the future of his company and its relations with dealers at the convention's opening general session on Saturday, January 31.

"Dieter Zetsche clearly recognizes the importance of a strong working partnership between dealers and manufacturers," said Alan Starling, NADA chairman. "We're very pleased he will be on hand to share his insights into that relationship and the overall direction of the Chrysler Group."

A member of the Board of Management of DaimlerChrysler AG since December, 1998, Zetsche has served as the Chrysler Group Division CEO since November, 2000. He has received widespread credit for instituting bold restructuring plans to set the automaker on a successful path for the future. In his 27 years with Chrysler, Zetsche has held a variety of positions in research, international development, engineering and product development.



Dieter Zetsche

Additional convention information and registration is available online at www.nada.org/convention.

Court Overturns Tire Pressure Rule

Siding with auto safety groups, the 2nd U.S. Circuit Court of Appeals in New York last week ordered the National Highway Traffic Safety Administration to rewrite a regulation that will require low tire pressure warning devices in new cars, according to The Detroit News.

NHTSA wanted to give automakers two options to comply with the mandate: using "direct" systems that warned drivers of a loss of pressure in any tire, or cheaper "indirect" systems, built on anti-lock brake technology, that sound if one wheel spins faster than another. Public Citizen, the Center for Auto Safety and the New York Public Interest Research Group argued in court that the "indirect" systems were ineffective since they would fail to signal a warning if two tires on the same axle were under-inflated, or all four vehicle tires were under-inflated. The court agreed and ordered NHTSA to rewrite the regulation.

If the regulations are rewritten to allow only the "direct" systems, it will mean higher costs for automakers. NHTSA estimated the "direct" systems cost \$66.33 per vehicle versus \$30.54 for "indirect" systems, said The Detroit News.

Montgomery County Tops in Land Preservation

Montgomery County is the best jurisdiction in the nation when it comes to preserving farmland and other open space, according to the ninth annual survey of the Farmland Preservation Report. A total of over 93,000 acres of land in Montgomery County are either agricultural or open space, roughly 30% of the total land area of the County.

"We love to see Montgomery County recognized as number one in the nation in anything — other than traffic!" said Montgomery County Chamber of Commerce President, Richard Parsons. "This first-place national recognition speaks well of the outstanding quality of life offered to Montgomery County residents, which is important to local businesses, their employees and everyone in the community...it's a win-win for citizens and businesses," said Parsons.

FOOTNOTES:**Virginia Advertising "Dos" and "Don'ts"**

The latest issue of *Dealer Talk*, published by the Virginia Motor Vehicle Dealer Board, offers the following "dos" and "don'ts" of dealer advertising based on regulations required by Virginia law:

- Advertisements should not include a disclaimer such as "See Dealer for Details." The "details" must be included in the advertisement in the disclaimer.
- Advertising a dealer rebate is prohibited. If the dealer offers to make the customer's first monthly payment, that is considered a rebate. Similar offers where the dealer provides cash to the consumer or otherwise pays something toward the purchase of a vehicle are considered "rebates."
- Disclaimers should not contradict or change the meaning of an advertised statement.
- The Virginia Advertising Regulations state: "Advertisement of finance charges or other interest rates shall not be used when there is a cost to buy-down said charge or rate which is passed on, in whole or in part, to the purchaser." Requiring the purchaser to pay additional money to "buy-down" an interest rate could also run afoul of the Truth-in-Lending Requirements if the APR does not include the additional money needed to receive the special rate.
- When you advertise a price for a vehicle, you must fully identify the year, make and model of the vehicle. For example. If you advertise "Cars for \$5" or "Cars as low as \$100," then you must identify at least one vehicle at the stated price. The advertising regulations state that "When the price or credit terms of a vehicle are advertised in print, radio, or television, the vehicle should be fully identified as to year, make, and model."

A copy of all the Virginia "Motor Vehicle Dealer Advertising Practices and Enforcement Regulations" are available on the Dealer Board's Web site, <http://www.mvdb.vipnet.org/home.html> (click "Advertising"), or call the MVDB office, (804) 367-1100 to receive a copy by mail or fax.

INVOICE SCAM ALERT:

NADA has been advised that dealers in several states are receiving invoices charging \$199.50 for "Online Dealer/Manufacturing advertising," which they did not order. The entity sending the invoice is in Arizona, though there is no contact information or phone number, and the address is a postal drop. The charge is described as a biannual fee for linking the dealer's Web site to a national Web site. A complaint has been filed with the Arizona Attorney General's office.

Another Perspective...

A cynic is a man who, when he smells flowers, looks around for a coffin.

—H. L. Mencken

Enclosures:

- ASE certification test, poster and materials
- TAHC Sample Letter to U.S. Senators
- Optional Labor Day closing signs for Dealer

ASE Certification Tests

Automotive Professionals,

*Don't miss the opportunity to take
ASE's Certification Tests!*



Register by Sept. 26, 2003

Testing on Nov. 13, 18, and 20, 2003

Over 700 Sites throughout U.S. and Canada

Register by mail, online or by toll-free telephone!

Contact ASE Customer Service at 703-669-6600

ASE • 101 Blue Seal Dr., S.E., Suite 101 • Leesburg, VA 20175

Toll-free recorded information: 1-877-ASE-TECH (273-8324)

Register online at www.ase.com