



THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

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Thought for the Week...

2013 Md. General Assembly seen as “busiest session in years,” resulting in a state that “looks more liberal.”

Let's see: A gun control bill described as most sweeping; repeal of the death penalty; first gas tax hike in 21 years; incentives for an off-shore wind farm (to broaden renewable energy); a bill expanding ranks of illegal immigrants with drivers licenses; and, oh yes, marijuana for medical purposes. All this from the 90 day session of the 2013 Maryland General Assembly that ended Monday night, described in today's Washington Post as “the busiest session in years.” All this, indeed, hot on the heels of successful voter referendums last fall legalizing gay marriage, gambling, and in-state college tuition for undocumented immigrants. And effective this July from an earlier legislative session, localities which will be compelled to assess property owners “charges” to ensure water quality protection on run off from paved surfaces.

“Are we the Southern state that we used to be? No, we're not,” said Senate President Mike Miller (D), reflecting on the Monday night wrap up of the Democrat dominated General Assembly. “Maryland looks more liberal – that's good news for some, bad news for others,” he said.

“I thought it was a very effective session,” an upbeat Gov. Martin O'Malley (D) said, who will be credited for packaging much of the extensive, far reaching legislation.

More specifics on the results of the Maryland General Assembly, shortly.

Once again, auto sales outpace the economy

The economic recovery is slow, companies aren't hiring, and Capitol Hill is dysfunctional. But through it all, Americans are buying new cars and trucks. Indeed, March was the best month for auto sales in five years, and the SAAR (seasonally adjusted annual rate) was a respectable 15.27 million, up from 14.1 million in March 2012.

As housing improved, so did sales of trucks and crossovers. At GM, crossover sales were up 62 percent in March. The Detroit Three outperformed the rest of the industry. But the price of a gallon of gas was about 30 cents less than a year ago, setting back hybrid and electric vehicle sales.

“The story is the same as it has been,” said Edmunds.com analyst Michelle Krebs. “Pent-up demand from old vehicles on the road is unleashing; credit is readily available at cheap rates and to a wider array of consumers; and new products are resonating with consumers.” The first wave of income tax refunds, averaging \$2,827, also brought consumers to showrooms.



The Nissan Altima displaced the Toyota Camry as the nation's top-selling car in March.

Transaction prices were the second highest ever, averaging \$31,097 for the month, up \$339 from March 2012 and up \$129 from February 2013, according to TrueCar. (The record was set in December, at \$31,228.) Incentives fell 1.7 percent from March 2012, to \$2,523 per vehicle.

The list of the top ten best-selling vehicles was led by two pickups, the Ford F-series and Chevrolet Silverado. The next three were midsize cars: Nissan Altima, Toyota Camry and Honda Accord. Rounding out the list were the Dodge Ram pickup, Toyota Corolla/Matrix, Ford Fusion, Ford Escape and Honda Civic.

NHTSA ponders crash test ratings for older drivers, families

The National Highway Traffic Safety Administration (NHTSA) is considering two new crash test ratings: a “silver” rating for older drivers and a family rating that would include an assessment for rear-seat passengers. They would be in addition to the current five-star rating and would be part of a planned update for the New Car Assessment Program.

“The baby boom is the largest generation in the history of this country, and they’re buying cars,” said NHTSA Administrator David Strickland. “They are driving longer; they are more active and often have more resources to buy expensive cars.”

Older drivers and passengers are more likely to be injured or killed. NHTSA mentioned inflatable seat belts and technologies that help prevent low-speed pedal misapplication as possible measures that could be aimed at seniors’ safety on the road.

The new ratings could take three years to come forward, Strickland said.



NHTSA's proposed silver rating would look at ways to keep older drivers and their passengers safe.

NADA says the average loan amount on new and used cars is up

As the average transaction price has risen for new and used vehicles, so too has the average age of vehicles in operation, to 11.4 years, according to NADA's March Economic Update. The good news that goes along with that is the loosening of auto credit.

"Auto credit availability continues to improve for consumers, in part because loan payment performance has been very good in recent years," said NADA's chief economist Paul Taylor. Because auto loan performance deteriorated much more modestly than housing or consumer credit loans during the recession, Taylor said, many banks, thrifts and credit unions are trying to ramp up their auto loan business.

In 2012, the average loan for a new or used car was \$12,355; up from \$11,819 in 2011 (the figures are from Experian). When Experian ranked the states and territories with the highest average car loan per person for new and used vehicles in fourth-quarter 2012, Maryland was fifth at \$12,659, and Washington, DC, was seventh at \$12,627.

Feds announce *delay* for health care exchanges first set for 2014



The health care exchanges will be delayed by a year.

The state exchanges specifically set up for small businesses by the Patient Protection and Affordable Care Act (PPACA) will be *delayed* for a year, the Obama administration said last week. The law requires that the exchanges, designed to be operated by the states, be ready to sell insurance by October 1, 2013, and that the coverage take effect January 1, 2014. But because of the time needed to set up the programs statewide, the health care exchanges aimed at companies with 100 or fewer employees, won't be fully operational until 2015.

The intent of the federally mandated health care exchanges is to give employees in smaller companies a choice of insurance plans. With the delay, workers will be restricted for the first year to a single plan, chosen by the employer, which was never the intent of the law.

The delay definitely applies to the 33 states where the federal government will run the exchanges (because the states opted out), Virginia is among them. Maryland and DC are among the states that plan to run their own exchanges and are allowed to follow the same delayed timetable as the federally run exchanges.

Some states that run their own exchanges, including California and Connecticut, have said they intend to offer an employee choice option next year. Maryland's and DC's plans are unknown.

JD Power: Customer satisfaction with "run-flat" tires is dropping

Satisfaction is declining among customers whose vehicles are equipped with *run-flat* or *low-rolling resistance tires* as part of automaker efforts to improve fuel efficiency, according to a new J.D. Power study.

Run-flat tires are mostly used on luxury and performance sports cars. In both cases, satisfaction is lower when the vehicles have run-flats instead of spare tires. The reason: Customers with run-flat tires are twice as likely to have to replace their tires as those with standard tires.

J.D. Power found that many consumers believe putting low-rolling resistance tires on their vehicle means compromising traction and durability in exchange for better gas mileage. Better education by the tire companies about the traction and dependability of the tires would be helpful, said Brent Gruber, director of J.D. Power's global automotive division, suggesting the tires are a value, albeit a misunderstood one, to consumers.

Where Md., Va., DC rank in cost of auto insurance

The order of ranking in average cost of auto insurance premiums may not surprise you: Washington, D.C., is number 5 (average annual premium \$2,006), Maryland comes in 21st (\$1,528) and Virginia trails at 37th place (\$1,322). The study, by Insure.com, is based upon rates for a single, 40-year-old male who commutes about 12 miles to work daily.

On the list of 50 states and D.C., Louisiana has the highest premium, at \$2,699. Drivers there who get in accidents file more bodily injury claims than those in other states. Louisiana also has a high rate of damage claims from natural disasters. Peaceful, bucolic Maine is least expensive, at just \$934 a year.

Beltway Express Lanes won't post travel times

How much time will it save you to use the 495 Express Lanes around the Capital Beltway? Though it might seem a reasonable question for a travel mode designed to save drivers time, the answer won't be available for years, says the Virginia Department of Transportation.

The problem, according to WTOP radio news, is that most GPS systems are only accurate within 30 feet of a location. With the Express Lanes next to the main part of the Beltway, they're too close to each other for an accurate time estimate for either one individually.

VDOT and Transurban, which constructed the Express Lanes, are also worried that giving too much information to drivers could cause accidents.

Meanwhile, I-66 is adding points with travel times posted: three eastbound and six westbound.



Don't miss WANADA's F&I Seminars, April 25 - 26

To make sure your F&I staff is up-to-date on the latest laws and regulations, WANADA is staging its Spring season **Finance and Insurance Professionals Seminar** on two separate occasions: Thursday, April 25, and Friday, April 26. The popular F&I professional's workshop is intended for both new and veteran F&I staff, and is presented by JM&A, WANADA's presenter for the past five years. The intensive day-long training will cover unfair and deceptive trade practices, Truth-in-Lending, Equal Credit Opportunity, rights to privacy and many other topics. A test will be given at the end of the day so that those attending, and meaningfully participating, can receive certification.

Click [here](#) for more information and to sign up for April 25 or April 26. Direct questions to Kristina Henry in the WANADA office at (202) 237-7200 or kh@wanada.org. Seating is limited and available on a first come, first served basis, so sign up today!

Thought for the Week...

Jack Nicholson on the new leader of North Korea, Kim Jong Un:

“He’s a young man new to the job of dictator in North Korea, trying to show the world how tough he is by talking about everyone he’d like to bomb when all he really needs is a tattoo.”