

COMPLIANT ADAS REPAIRS

HOUSTON'S ONLY CERTIFIED LEVEL CALIBRATION FACILITY

New Texas Law Mandates That OEM Procedures Must Be Followed Exactly

BUSINESS PROPOSAL

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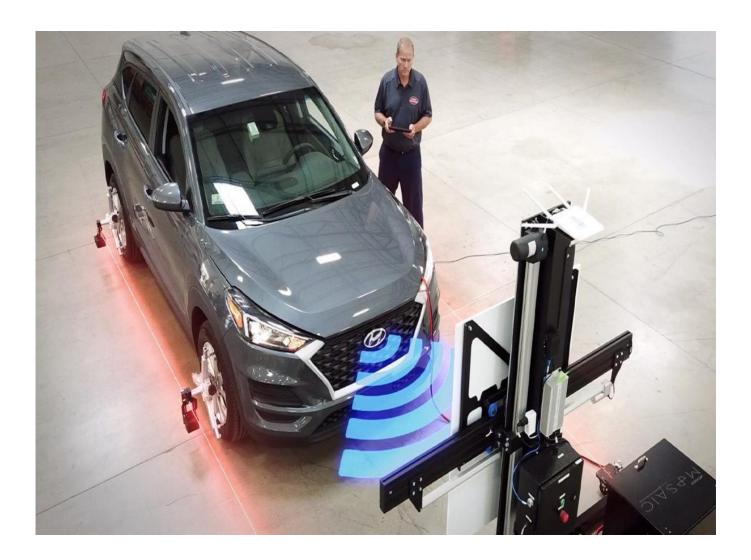
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1

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
TEXAS SB 1083 LEGISLATION	4
COMMON OEM CALIBRATION SPECIFICATIONS	5
PROBLEM - COMPLICATIONS AND NOT GETTING PAID	6
SOLUTION - SIMPLICITY AND GETTING PAID	7
METHODOLOGY - OUR FOCUS IS ON YOUR NEEDS	8
MISSION STATEMENT - PROTECTING LIVES	9
ABOUT HOUSTON ADAS	9
ADAS CALIBRATION SERVICES	9
QUALIFICATIONS - WE ARE EXPERTS	10
SCHEDULING CALIBRATIONS IS EASY	11
YOUR COST IS ZERO	12
BENEFITS RESULT IN PEACE OF MIND	12
TEXAS BILL 1083 TEXT	13
LAWYER ADVERTISEMENT FOR ADAS RELATED ACCIDENTS	17



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EXECUTIVE SUMMARY

Changes in the Automotive Industry are accelerating rapidly. An ever increasing array of ADAS (Advanced Driver Assist Systems) technologies combined with the transition to electric vehicles is causing massive disruption. It's vital that we stay ahead of these changes in order to remain competitive. These challenges have resulted in the need for further specialization and stricter compliance. Profitability is being squeezed even harder.

Collision, Glass and General Repair Shops are affected.

TEXAS LEGISLATORS ARE TAKING NOTICE. BILL 1083 HAS PASSED.

OEM PROCURES AND SPECIFICATIONS MUST BE FOLLOWED PRECISELY.

LAWYERS ARE STARTING TO SPECIALIZE IN ADAS RELATED ACCIDENTS.

This proposal will show you how we can improve your profitability, reduce potential liabilities and perform compliant repairs by partnering with us.

We specialize in ADAS diagnosis, repair, calibration and verification so that you don't have to. We strictly control environmental factors to ensure **OUR CALIBRATIONS ARE OEM COMPLIANT AND WE CAN PROVE IT**.

YOUR COST IS ZERO.

In fact, we think we can make you money, reduce business risk and give you peace of mind knowing that you are obtaining compliant calibrations. Sounds too good to be true? Read on and see for yourself what we can do for you.



TEXAS SB 1083 LEGISLATION

A variety of state legislators (New Hampshire, Texas, Utah) have passed or are considering (Arizona, Illinois, Maryland) Bills that require **OEM SPECIFICATIONS ARE TO BE FOLLOWED** in collision repairs, glass replacement and advanced driver assistance system (ADAS) calibration services covered by insurance. More states are expected to follow with similar legislation.

TEXAS SENATE BILL 1083 passed on April 5, 2023 and takes effect September 1, 2023. See the attachment at the end of this report for more details.

This Bill **MANDATES THE USE OF OEM PARTS AND REPAIR PROCEDURES** for cars delivered new and owned by the insured for 36 months or less unless the owner signs a disclosure opting out of this requirement before the repair begins. If the owner opts out there may be adverse implications to the OEM warranty.

For cars that have been owned by the insured over 36 months there is no requirement for OEM parts or repair processes.

Legislators recognize the importance of following OEM procedures. This protects consumers safety and warranty.

ADAS REPAIRS OR CALIBRATIONS THAT DO NOT CONFORM TO OEM REQUIREMENTS LEAVE CONSUMERS AT RISK.

COMPLIANT CALIBRATIONS REQUIRE A DEDICATED CALIBRATION FACILITY THAT IS CERTIFIED TO MEET OEM SPECIFICATIONS.

CALIBRATIONS IN A PARKING LOT OR SHOP ARE NOT OEM COMPLIANT IF YOU CAN'T PROVE THE ENVIRONMENT AND METHODS USED MEET OEM SPECIFICATIONS.

LAWYERS ARE STARTING TO FOCUS ON ACCIDENTS RESULTING FROM MALFUNCTION OF ADAS SYSTEMS.

ARE YOU WILLING TO EXPOSE YOUR CUSTOMERS TO IMPROPER CALIBRATION OF VEHICLE SAFETY SYSTEMS?



COMMON OEM CALIBRATION SPECIFICATIONS

• FLOOR SURFACE CAN'T HAVE MORE THAN A 1 DEGREE HORIZONTAL SLOPE.

- In some cases, the floor must be level to 10 mm.
- A well lit area with no bright objects at the back of the target (no sunlight, shade, windows, illumination, or reflectors).
- Light-colored walls and radar absorbing materials to reduce interference.
- Use a light control system that can be set to the appropriate level.
- Space requirements are generally 30 x 50 feet.
- Adjustments outside are not recommended.
- Uninterrupted power supply.
- OEM TARGETS.

OUR DEDICATED ADAS CALIBRATION FACILITY MEETS OR EXCEEDS OEM SPECIFICATIONS AND WE CAN PROVE IT.

OUR FLOOR IS CERTIFIED LEVEL

Can you prove your calibrations are OEM compliant?



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PROBLEM - COMPLICATIONS AND NOT GETTING PAID

Most collision shops tend to fix cars according to the estimate provided by the insurance company.

This means the shop may be **COST CONTROLLED** inadvertently.

It appears they may be controlling costs by **NOT RECOGNIZING OEM** CALIBRATION AND SAFETY REQUIREMENTS.

To make matters worse, many are **NOT ALLOWING MARKUP**.

These problems place the shop at a disadvantage since they make it harder to maintain profitability and these hidden complications have resulted in exposure to **INCREASED LIABILITY**.

Who gets sued if something goes wrong?



SOLUTION - SIMPLICITY AND GETTING PAID

Houston ADAS solves these problems by:

- 1. **GENERATE AN INCOME STREAM** from your ADAS calibrations. Jointly, we can work together to optimize your income as fully as possible.
- 2. You no longer have to rely on markup from an insurance company to improve profitability.
- 3. Since **OUR FACILITY IS COMPLIANT** to OEM repair requirements, calibrations and safety operations conform to proper specifications for each brand.
- 4. OEM Procedures, Position Statements, Photo Documentation Library, comprehensive Pre and Post Scans along with detailed Invoices prove calibrations and safety operations are completed properly.
- 5. This detailed documentation justifies each repair and reduces repair liabilities significantly by proving calibration compliance.
- 6. **NO RISK GUARANTEE** If you are not reimbursed by an insurance company you do not have to pay!
- 7. Our convenient pick up and drop off service reduces your cycle time to a minimum.
- 8. No need to set aside valuable shop space or expend needless administrative time for calibrations so you can focus on what you do best repair cars.

We protect lives through the precise calibration of vehicle safety systems.



METHODOLOGY - OUR FOCUS IS ON YOUR NEEDS

We want to provide you with OEM compliant calibrations in a timely fashion to help improve your profitability and reduce administrative burden.

- 1. EMAIL COPY OF ESTIMATE TO info@houstonadas.com.
- 2. Your estimate will be analyzed with a variety of tools to define all ADAS calibration and safety requirements that are required by each brand for a given collision.
- 3. All OEM procedures and Position Statements are supplied to fully justify all operations.
- 4. **AN ADAS SUBLET ESTIMATE IS PRODUCED** that can be integrated with your estimate before it is sent to the insurance company for authorization. With your permission, we may be able to enter the ADAS requirements directly into your back office system on your behalf. You remain in control of submission to the insurance company. This simplification saves you from additional administrative burden.
- 5. After approval has been received and repairs completed, **SELECT PICKUP TIME** from our online scheduler. Available time slots are in 90 minute increments. Other than selecting a pickup time, you only need to enter your details once. All future pickups are simply a click away. No need to call for an appointment.
- 6. We will pick up the car and take it to our calibration facility. Required procedures are implemented to ensure everything is compliant. Effort will be made to return your car the same day.
- 7. Month end invoices are sent with net 15 day terms.
- 8. Monthly billing allows us to create a legal and compliant **REBATE SPECIFICALLY FOR YOU.** This will compensate you for insurance companies that don't allow markup on ADAS sublets.
- 9. Rebates are UP TO 25%. For example, if you send us at least 15 cars a month and the total of all calibrations for the month is \$10,000, a credit for \$2,500 will be applied to your invoice. The amount owing would be \$7,500. This will allow you to keep \$2,500 of the \$10,000 you received from the insurance companies. Parts and other minor miscellaneous items may be excluded from this calculation.

MISSION STATEMENT - PROTECTING LIVES

Houston ADAS protects lives through the precise calibration of vehicle safety systems.

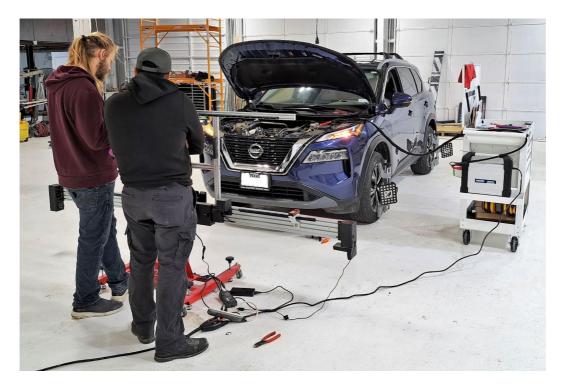
ABOUT HOUSTON ADAS

We are different from other ADAS services in that we believe that a **PRECISE CALIBRATION CAN ONLY BE ACHIEVED BY CONTROLLING ENVIRONMENTAL FACTORS** that meet or exceed OEM specifications in our own dedicated facility.

ADAS CALIBRATION SERVICES

ADAS DIAGNOSTIC, REPAIR, CALIBRATION AND VERIFICATION services are provided to collision and auto repair centers. All work is performed to OEM specifications in a strictly controlled lab like environment. We validate system operation via a post calibration verification and road testing.

Do you get burdened by significant diagnostic and electronic problems? We can help!



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QUALIFICATIONS - WE ARE EXPERTS



DAVID EVANS BSc, MSc - Founder, Chief Executive Officer, Certified ADAS Technician

An entrepreneur with over three decades of successful management and operational experience.

I-Car ProLevel 1 and 2 ADAS certification.

DESIGNED AND BUILT A STATE OF THE ART ADAS CALIBRATION FACILITY drawing on the expertise and continued support of some of the best minds in the ADAS industry through a strategic partnership. <u>www.houstonadas.com</u>

Owns and operates Phil's Car Care, a full service auto and light truck repair facility. Ranked at 4.6 out of 292 Google reviews. Certified as a NAPA Gold Auto Car Center. Less than 500 out of over 17,000 NAPA Auto Care Centers have attained this distinction. <u>www.philscarcaretx.com</u>



CARLOS LOPEZ - Certified ADAS Technician

A well seasoned mechanic with specialization in electronic diagnostics, repair, calibration and programming.

I-Car ProLevel 1 and 2 ADAS certification.



CARLOS TORRES - ASE Certified Master Mechanic.

Master Technician specializing in electronic diagnostics, repair and programming.



ELIZABETH VILLARREAL - Partner Coordinator

Expert in coordinating all your calibration needs.

SCHEDULING CALIBRATIONS IS EASY

WE ARE READY TO MEET YOUR NEEDS TODAY!

Simply email us your estimate, integrate our supplement, obtain approval, fix the car and schedule your calibration. We will take it from there. If additional work is required we will obtain your approval before proceeding.

https://houstonadasporter.as.me/schedule.php

We can even set up your scheduler on all your devices. Want it on your smartphone? No problem!

HOUSTON RDRStresting						
Houston ADAS, Porter						
1 Choose Appointment						
ADAS Calibration						
				MORE TIMES >		
TOMORROW Thursday March 30	/ Friday	NEXT WEEK Monday April 3	Tuesday April 4	Wednesday April 5		
8:00am	8:00am	8:00am	8:00am	8:00am		
9:30am	9:30am	9:30am	9:30am	9:30am		
11:00am	11:00am	11:00am	11:00am	11:00am		

YOUR COST IS ZERO

OUR SERVICES DON'T COST YOU A THING.

In fact, we make you money! If you are not reimbursed by an insurance company you don't have to pay!

BENEFITS RESULT IN PEACE OF MIND

- 1. **NEW PROFIT CENTER** Our rebate allows you to make up to 15% on all ADAS calibration and safety procedures.
- REDUCED LIABILITY Our photo documentation library is second to none! Everything is proven and verified. It is designed to stand up in court.
- 3. **CALIBRATION COMPLIANCE** We make sure the job is done right. The first time!
- 4. **TIMELY UPDATES** We keep you in the loop. We welcome your questions.
- 5. **TRANSPARENT** If something comes up, we are open and honest.
- 6. **CONVENIENCE** One click scheduling. No need for phone calls. Pick up and delivery.
- 7. **PEACE OF MIND** Business is complicated enough. We want to be your trusted partner. Let us ease your administrative and shop burden with respect to ADAS. Together we will make sure each job is done right the first time. Every time.

REDUCE RISK AND MAKE MONEY GET STARTED TODAY!

TEXAS BILL 1083 TEXT

88R6056 JES-F

By: King

S.B. No. 1083

A BILL TO BE ENTITLED

AN ACT

relating to insurer restrictions and duties regarding repair of a

motor vehicle covered under an insurance policy.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1952.301, Insurance Code, is amended to

read as follows:

Sec. 1952.301. LIMITATIONS AND DUTIES REGARDING REPAIR OF

MOTOR VEHICLE [LIMITATION ON PARTS, PRODUCTS, OR REPAIR PERSONS OR

FACILITIES PROHIBITED]. (a) In this section:

(1) "New motor vehicle" has the meaning assigned by

Section 2301.002, Occupations Code.

(2) "Non-original equipment" means a part, product, or

repair process used in the repair of a motor vehicle that is not

made by or for or used by that vehicle's manufacturer or

distributor.

(b) Under an automobile insurance policy that is delivered,

issued for delivery, or renewed in this state, for damage to a motor

vehicle that has been owned by the insured for 36 months or less and that was a new motor vehicle when delivered to the insured, the insurer:

(1) shall require that a part, product, or repair process used to repair the vehicle be the original equipment manufacturer's or distributor's part, product, or repair process, unless the insured opts to use non-original equipment in accordance with Subsection (f); and

(2) may not limit the beneficiary of the policy from selecting a repair person or facility to repair damage to the vehicle.

(c) Under [Except as provided by rules adopted by the commissioner, under] an automobile insurance policy that is delivered, issued for delivery, or renewed in this state, an insurer may not directly or indirectly limit the insurer's coverage under a policy covering damage to a motor vehicle <u>that has been</u> <u>owned by the insured for more than 36 months</u> by:

(1) specifying the brand, type, kind, age, vendor,
supplier, or condition of parts or products <u>or the repair process</u>
that may be used to repair the vehicle; or

(2) limiting the beneficiary of the policy from selecting a repair person or facility to repair damage to the vehicle.

(d) In settling a liability claim by a third party against an insured for property damage claimed by the third party for damage to the third party's motor vehicle that has been owned by the third party for 36 months or less and that was a new motor vehicle when delivered to the third party, an insurer:

(1) shall require that a part, product, or repair process used to repair the vehicle be the original equipment manufacturer's or distributor's part, product, or repair process. in accordance with Subsection (f); and

(2) may not require the third-party claimant to use a particular repair person or facility to repair damage to the vehicle.

(e) [(b)] In settling a liability claim by a third party against an insured for property damage claimed by the third party to a motor vehicle that has been owned by the insured for more than 36 months, an insurer may not require the third-party claimant to have the motor vehicle repairs made by a particular repair person or facility or to use a particular brand, type, kind, age, vendor, supplier, or condition of parts or products <u>or a particular repair</u> <u>process</u>.

(f) An insured or third-party claimant may opt to accept the use of non-original equipment in the repair of the insured's or claimant's motor vehicle by signing a written disclosure. The disclosure must:

(1) be signed before repair of the vehicle begins;

(2) be delivered as an attachment to a written estimate provided for the repair of the vehicle;

(3) be written in at least a 12-point font; and

(4) include the following language:

<u>"I am opting to accept the use of a non-original equipment</u> <u>manufacturer's or distributor's part, product, or repair process in</u> <u>the repair of my vehicle, and I understand and agree that:</u>

1. the attached repair estimate is based on the use of a non-original equipment manufacturer's or distributor's part, product, or repair process that is supplied by a manufacturer or distributor that is not my motor vehicle's manufacturer or distributor; and

2. the warranty for the non-original equipment

manufacturer's or distributor's part, product, or repair process is provided by the manufacturer or distributor of that part, product, or repair process and not by my motor vehicle's manufacturer or distributor."

(g) An insurer that delivers, issues for delivery, or renews an automobile insurance policy in this state may not require or request that a repair person or facility use any specific percentage of non-original equipment in the repair of a motor vehicle.

SECTION 2. The change in law made by this Act applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2024. A policy delivered, issued for delivery, or renewed before that date is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2023.

LAWYER ADVERTISEMENT FOR ADAS RELATED ACCIDENTS

HOW ADAS SYSTEMS MAY INTERFERE WITH DRIVING

Gervelis Law Firm

September 14, 2020



Drivers who have recently purchased a new car or plan on purchasing one may have access to the latest advanced driving assistance systems (ADAS). A recent AAA study reveals that drivers should not rely too much on these autonomous and semi-autonomous features. ADAS systems are designed to prevent crashes caused by human error. According to AAA, however, they could actually interfere with the task of driving or fail to work when needed the most.

What is ADAS technology?

ADAS technology often includes:

- Adaptive cruise control maintains a safe distance between two cars automatically by using radar and sensors, and controlling car speed.
- Lane departure warnings emits a sound to alert drivers when they start drifting out of their lanes or off the road.
- Forward collision warnings alerts drivers by emitting a sound of an imminent forward collision danger.
- Lane keep assist takes over steering functions when a driver starts veering off the road or gets too close to the centerline.

ADAS systems are classified as Level 2 driving automation on a scale of 0-5 by SAE International. This means that these features must be supervised when in use and drivers must still be engaged in driving.

Why shouldn't drivers rely on ADAS technology?

AAA researchers recently looked at 4,000 miles of daily driving scenarios involving the use of ADAS technology. They noticed there was, on average, a failure of these systems every eight miles. Lane departures and imminent forward collisions, for example, were found to fail the most. Here is exactly what the study found:

- Systems that controlled acceleration, braking and steering would suddenly disengage, leaving the driver to need to take immediate control.
- 73% of all errors were linked to lane departures, and driving too close to a guardrail or centerline.

Greg Brannon is AAA's director of automotive engineering and industry relations. He explained why it's important to further test ADAS systems.

"Active driving assistance systems are designed to assist the driver and help make the roads safer, but the fact is, these systems are in the early stages of their development. With the number of issues we experienced in testing, it is unclear how these systems enhance the driving experience in their current form. In the long run, a bad experience with current technology may set back public acceptance of more fully automated vehicles in the future."

What is the danger of relying too much on ADAS systems?

ADAS systems can only serve as a backup to help prevent crashes caused by human errors. They, themselves, cannot accomplish that. Drivers are responsible for staying fully engaged in the task of driving. They should never get distracted or complacent behind the wheel. When ADAS systems suddenly fail, and drivers aren't prepared to take control, serious crashes can occur. If you or a loved one was injured in a crash by an inattentive driver, an experienced Ohio car accident attorney at Gervelis Law Firm can help you recover every dollar owed to you in damages.

Contact us online to learn about the legal options available to you. We serve clients in Toledo, Columbus, Youngstown, and Akron.