

COLORADO INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

FRONT LINE

Q1 2023

Welcome CIADA'S Newest Board Members



Brian Karsh
Springs Automotive
Established 2007



Abe Aryan
Truck Kings
Established 2017



Joe Fuentes
Morgan County Motors
Established 2017

PLUS

What You Can Expect in 2023 in Colorado

Colorado Dealers Insurance Update

Colorado Auto Theft Skyrockets

WEBINAR: Make the Move to
Electronic Registration and Title
Tuesday February 21 at 1:00pm MST

SAFEGUARDS COURSES:
Meet the June 9 Deadline



FRONT LINE MAGAZINE

The official digital magazine of the
**COLORADO INDEPENDENT
AUTOMOBILE DEALERS ASSOCIATION**
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Lakewood, CO 80214
303-239-8000 • ciada.org

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Brian Karsh, Springs Automotive Group

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Coordinator & Dealer Services (x300)

Chris Choka, Bond Specialist & Dealer
Services (x306)

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Front Line magazine is published quarterly by the CIADA, representing quality independent automobile dealers since 1941. CIADA assists members in becoming more successful within the used motor vehicle industry by consistently bringing you industry education, valuable information, services and benefits designed to prepare members for an ever-changing marketplace.

CELEBRATING 82 YEARS STRONG

What You Can Expect in 2023 in Colorado

By David Cardella, CEO CIADA



One thing you can count on is that CIADA will continue to be your advocate on state issues and will join forces with NIADA to be your voice on federal issues. Currently, we are watching five bills at the Capitol ranging from catalytic converters and auto theft to out of state online retailers. With Colorado becoming the number one state in the country for auto theft, politicians are lining up to run bills funneling money to address the problem. CIADA has a full-time lobbyist team to help us support the correct bills. Rest assured we will be your voice, but be prepared to testify if we need you. Email me (dcardella@ciada.org) if you would like to be listed as a member who would be able to testify at the Capitol.

We must continue to be aware of who we are doing business with and verify all funds i.e., cashier's checks and bank checks and make sure they are legitimate. Double check the credit information provided by the purchaser is accurate and has not been stolen from an unsuspecting victim. Check with your insurance agent to make sure you have all the correct and up to date coverages. Do not make the mistake of trying to cut corners that will end up costing you tens of thousands of dollars when you make an insurance claim.

Once again, our industry is experiencing challenges due to inventory concerns, rising interest rates, and government regulation. As owners we have to always prepare for the unexpected. We are the leaders at our dealerships and our employees expect us to be problem solvers. When we do not let them down, they in turn will not let us down.

CIADA is committed to finding ways to trim your costs and to educate you on regulations when they change. Last year we eliminated the state requirement of certified weight slips on unaltered vehicles over 4500 lbs. with an out of state title, stopped the implementation of honoring repairs for vehicles that fail the emission test when a voucher is used from going to 14 days (it is now 5 days), and we reduced the time a vehicle has to be sold for the advertised price when an expiration date is not included in the advertisement. It is now 3 days instead of 5.

If you need help and we do not answer the phone when you call, it is because we are helping another CIADA member. We have 1162 members and 4 of us on staff. Please leave a message so we can call you back as you are our number one priority. Together, let us help each other when we can and let's make 2023 a banner year. ■

STRATEGIC PARTNERSHIP

THE COLORADO INDEPENDENT AUTOMOBILE DEALERS
ASSOCIATION PARTNERS WITH SMARTGROUPS

For more information or to join a group,
visit smart20groups.com/colorado.

Colorado Dealers Insurance Update

By Mark Harrington, Dealer Program Manager, Taggart Insurance

It is official; Colorado is the worst state in the country for insurance claims. From car theft and catalytic converter theft to property destruction and liability claims, we are the worst. What does this mean for you? It means we are going to continue to see rate increases on every aspect of insurance, but there may also be new exclusions and endorsements to limit coverage. My goal in this article is to make you aware of some of the biggest changes so that you are properly prepared and informed.

First, there have been some major changes to False Pretense coverage. Up until now, insurance would cover a situation in which someone used stolen identity to get a loan and buy a car. The bank, who never received a first payment on the loan, comes to you and demands that you pay off the note. As a dealer, you would activate your False Pretense coverage to cover this. As of now, most insurance carriers in Colorado have added wording that will exclude any and all claims related to a financial institution demanding money for a bad loan. Please check with your broker to see if this impacts you.

Second, theft coverage in general has changed. For the most part, the only way to get insurance to activate is if you have a fully gated and secured lot. If you do not, you either have a very high deductible or no coverage for a theft claim. Make sure to check with your carrier / broker to see what restrictions you have with theft coverage.

So what is to be done? At Taggart Insurance we are recommending that all dealers do the following if possible: collect a down payment on every car to send into the bank. This has a dual effect.



For one, any person using a fake ID will never cut you a check, so you avoid the situation altogether. Second, once a payment is made, the bank is now responsible for the loan and cannot come back to you to pay it off. We also recommend installing tracking devices on your inventory. The CIADA has partnered with Southwest Dealer Services and their product is not only affordable but also can be a source of revenue for many dealers. Everyone should reach out to them and at least hear what they can do.

Thankfully there is some good news! Colorado has been seeing less severe hail in the past few years. This has allowed Taggart to bring in some new programs that are in many cases lowering the cost of insurance while increasing coverage. It is not a fit for all, but a fit for many. We would encourage every dealer to reach out and learn more.

Finally, we recently launched the new CIADA health plan for all dealer members. Our plans were designed especially with dealers and their employees in mind. You get the benefit of large group rates with personalized coverages. These plans are meant to lower your costs as an employer while providing a richer benefit for your employees. You only need two people to participate to qualify for the coverage. If you haven't yet, we encourage you to reach out to our team.

We know that insurance is never anyone's favorite topic. Here at Taggart, we made a promise to the association and its members long ago to always put you first. We are constantly trying to find new, unique solutions, bring in new markets, and find new vendors to help you deal with the ever-changing landscape. We are here to help in any way we can, so never hesitate to reach out to us. ■

CIADA SERVICE CONTRACTS AVAILABLE

Offered by Century Automotive Exclusively for CIADA Members



LEARN MORE



- VSC - Coverage up to 500k miles
- CPO - Vehicles up to 150k miles
- Exclusive Pricing
- Multiple Term Options

To get Game-Changing results, start focusing on Game-Changing action. Inquire now to learn more.

INDUSTRY INSIGHT

Insurance Companies are Refusing to Cover Certain Hyundai and Kia Models

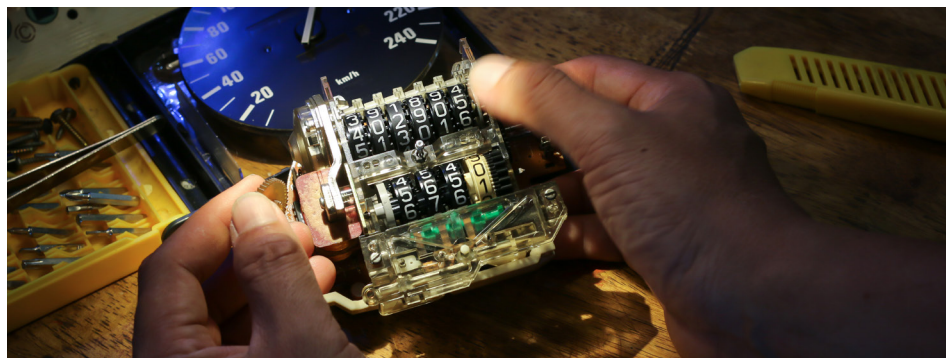
By Chris Teague

You’ve probably heard about the TikTok-inspired uptick in Hyundai and Kia thefts, where the lack of an immobilizer has given thieves an open invitation. Beyond the stress that your car could be stolen at any time, insurance companies now appear to be less willing to cover the vehicles.

The Drive spoke with Progressive Insurance, which said it had stopped issuing new policies to some Hyundai and Kia vehicles. A spokesperson told the publication that “due to the theft risk that some Hyundai and Kia vehicles present, in many cases, it makes these vehicles difficult to insure, so in certain areas of the country, we have adjusted our acceptance criteria for new business.”

The changes do not affect existing policyholders, but it certainly puts a damper on anyone hoping to grab a used car and get it insured. The Drive’s staff reached out to several other insurers in different areas of the country, discovering that several were unwilling to issue new policies. Progressive denied policies for a Kia Soul in Denver, and news outlets in other cities have reported similar outcomes.

Those that don’t deny insurance coverage outright charge much more for the privilege. One driver told his local newspaper in St. Louis that Progressive would cover his car, but would charge \$350 monthly. ■



Odometer Rollbacks Up

By ADT Staff

The 10 states with the highest number of rollback cases saw fraud increases between 1% and 15%, the latter in Texas.

Odometer rollbacks rose 7% year-over-year in 2022, says vehicle data provider Carfax.

Digital odometers are just as vulnerable to fraud as the old mechanical ones were, and Carfax says consumers lose an average of \$4,000 in value when they buy a vehicle with a rolled-back odometer, excluding maintenance costs.

“We’re still seeing the number of vehicles on the road with a rolled back odometer rise year-over-year,” said Carfax Public Relations Director Emilie Voss. “It takes con artists a matter of minutes to wipe thousands and thousands of miles off a vehicle’s odometer, and unfortunately these swindlers likely see this unprecedented used car market as a way to make a quick buck.”

The 10 states with the highest number of rollback cases saw fraud increases of between 1% and 15%, the latter in Texas, Carfax said. Carfax offers a free odometer fraud-check tool. ■

Get deals done faster with Reg & Title Solutions

Save more, deal more with a suite of electronic solutions

Every penny counts in today's market of high interest rates and the risk of a recession. While customers are still lining up to buy new vehicles, used car prices are dropping. Your dealership needs to drive as many deals as possible — as efficiently as possible — to boost revenue while holding down back-office costs. Only Dealertrack offers a complete suite of registration and title solutions to finalize deals faster while helping to save time and money.

Get used vehicles resale-ready faster.

A manual vehicle payoff and title release process takes 12-18 days¹ or more for most dealerships. During that time vehicles can't be sold, and dealers shell out an average of \$40² in holding costs every day for every vehicle that sits idle. That includes the cost of storage space, labor, insurance, interest charges, and more. Now multiply that by how many trades you take in every year and think about how inefficient processes are delaying resale and eating into profits.

The Dealertrack Accelerated Title[®] solution connects with more than 110 lenders to speed payoff and lien and title release 70% faster¹, so dealers gain lien and title release as quickly as 4 to 6 days. Faster lien and title release and minimized holding costs lead to a better bottom line while maintaining a wider selection of used inventory from trade-ins.

Gain back-office efficiency.

Paper-based processes are time-consuming and costly. Filing DMV paperwork adds labor expense to every deal, and combined with money spent on paper, printing, postage, and even physical trips to the DMV, your bottom line suffers.

UPCOMING WEBINAR

Make the Move to Electronic Registration and Title

HOSTED BY DMV with Dealertrack

CIADA's Only Electronic Registration & Titling Service

Tuesday February 21, 1:00pm MST

We will outline the accreditation and onboarding process, include tips on how to ensure your TPT paperwork is submitted accurately and explain how Dealertrack RTS supports you at each step, trains your users, and ensures that your dealership is up and running as quickly as possible.

REGISTER HERE

You can gain back-office efficiency when you transform your paper trail into an electronic process where documents are completed and submitted online. Dealertrack's in-state registration and title solution helps you submit transactions 35% faster when integrated with your DMS³, helping you submit transactions to the DMV in **under 4 minutes**⁴. Efficient processes pay off by helping you get more deals out the door in less time.

Close cross-border deals with ease.

Inventory shortages continue and that means more buyers are crossing state lines to find vehicles. In fact, the average buying radius for shoppers has nearly doubled over the past four years to more than 89 miles⁵. Out-of-state deals can be confusing with state-specific requirements, taxes, and fees. There's a lot to keep track of, which can slow down the back office and negatively affect the customer experience.

A 50-state registration and title solution relieves the burden on the back office. Dealertrack RegUSA[®] helps you deliver customer-specific deal scenarios based on taxes and fees so you can ensure the right deal for the dealership and the customer, no matter where a customer lives.

Whether you're selling vehicles in-state or out-of-state, or taking vehicles in on trade, Dealertrack can help you with all your reg and title needs.

Schedule a no-obligation demo today to learn how Dealertrack's suite of registration and title solutions helps you save more, deal more.

1 Based on average industry timeframe for vehicle title release and vehicle payoff process of 18+ days, as determined by 2021 Dealertrack data.

2 Data based on user input and calculations using Dealertrack's Accelerated Title Savings Calculator as of July 2021 and are not a guarantee of actual savings.

3 Based on Dealertrack DMS configurations

4 Dealertrack User Timing report through Google Analytics 9/30/21 to 9/30/22.

5 Cox Automotive 2021 Car Buyer Journey research

Colorado Auto Theft

Auto Theft per 100,000 Residents for 2021

**RANKED
#1**

Top Colorado Cities

in Vehicle Theft-Q1 2022¹

- ✓ Denver
- ✓ Aurora
- ✓ Pueblo
- ✓ Lakewood
- ✓ Westminster

**TOP
5**

States with Most Vehicle Theft by Volume

- ✓ California
- ✓ **Colorado**
- ✓ Texas
- ✓ Illinois
- ✓ Florida

Denver has the **LARGEST** Theft Increase between the 1st half of 2019 & 2022²

**155%
Increase
2019 - 2022**

Auto Theft Metro Area Ranking

National Insurance Crime Bureau (NICB) Hot Spots Report

Contact:

Andy Samaras
303-601-5493

Andy.Samaras@swds.net

5.8 million
Population in 2021

Denver, CO

RANKED
#3

2020

**RANKED
#2**

2021

Pueblo, CO

RANKED
#7

2020

**RANKED
#3**

2021

\$20k
Replacement
Warranty*

KARR Security Program

Helps Protect your Vehicle from Theft

Common Sense

- ✓ Close windows and lock doors
- ✓ Park in well-lit areas
- ✓ Never leave vehicle running
- ✓ Never leave keys or valuables in vehicle

Visible & Audible Anti-Theft

- ✓ Audible security system
- ✓ Theft deterrent decals
- ✓ Flashing parking lights

Vehicle Recovery

- ✓ GPS technology
- ✓ Telematics (cellular)
- ✓ Break-in & geofence notifications

Vehicle Immobilizer

- ✓ Starter-kill
- ✓ Shift-lock

*If your vehicle is equipped with a **KARR Security System** and is stolen and not recovered within 30 days or deemed a total loss as a result of the theft, the vehicle replacement warranty exists to help the owner replace the stolen vehicle up to **\$20,000**.

Data source: <https://www.nicb.org/news/news-releases/nicb-report-finds-vehicle-thefts-continue-skyrocket-many-areas-us>
¹ http://www.rmia.org/auto/auto_theft/colorado_auto_theft_statistics.asp | ² <https://www.nicb.org/news/news-releases/nearly-half-million-vehicles-stolen-first-half-2022>

KARR
SECURITY SYSTEMS

SWDS157.1

Colorado Auto Theft Skyrockets

Andy Samaras, SWDS.net



As of Q4 2022, according to the National Insurance Crime Bureau's (NICB) Hot Spots Report, vehicle thefts continue to skyrocket in many areas of the U.S. Nationwide, 932,329 vehicles were reported stolen to law enforcement in 2021, a 6% increase over 2020, and a 17% increase since 2019.

Colorado led the nation in 2021 with the highest overall theft rate at 661.21 thefts per 100,000 people, up from 502.12 in 2020, an increase of 32%.

"Auto thefts increase is in part due to the pandemic, an economic downturn, law enforcement realignment and depleted social and schooling programs, and, in still too many cases, owner complacency," said David Glawe, president and CEO of the

National Insurance Crime Bureau (NICB)

All of these factors together create a perfect storm of shortages, supply chain problems, and a jump in vehicle and parts theft. Unfortunately, the onus is up to the dealer to protect their inventory from this increase in crime.

However, there is a seriously effective solution with CIADA's partner provider, KARR Security, who is the leading anti-theft provider in the nation. Programs not only protect consumers and dealership inventory, they also provide an income opportunity.

For more information, please contact Andy Samaras, SWDS 303-601-5493, andy.samaras@swds.net. ■

IN-PERSON COURSES

COMPLIANCE SEMINAR



Monday, April 3

9:00AM to 12:00PM

\$75 members / \$100 nonmembers
(includes lunch)

Presented by: Michael McKinnon

Make your team aware of critical

updates! Topics will include:

Material Particular Disclosure Requirements, Latest Update on State Related Issues, Using Correct Forms, BHPH Best Practices, Unlicensed Sales, "Curbstoning," Approved Broker Practices, Spot Delivery, Bankruptcy Regulations and Procedures and more!

TO REGISTER,
ciada.org/events/

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INSURANCE, LENDERS,
F&I, GPS SERVICES,
ELECTRONIC TITLE &
REGISTRATION,
WARRANTIES
AND MORE!**

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& supplies for your dealership.**

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REQUIRED Forms, Key Tags, Dealer
Supplies and MORE!

SHOP NOW

**Dealer bonds, sales person bonds and
title bonds available through CIADA!**



CIADA COURSES

ONLINE SAFEGUARDS COMPLIANCE COURSE



Keep your dealership compliant with the FTC's safeguards requirements. This safeguards rule must be met by **June 9!**

\$75 for Qualified Individual

\$49 for Other Employees

Visit dealereducationportal.com

[Click here for more information.](#)



SAFEGUARDS: FOR THOSE WHO NEED MORE

Are you sure your computer systems are Safeguard compliant with the proper protocols? Executing the Safeguard initiative is an exercise in hardening your computer systems against a future breach of your customer data. This call will offer insight on best practices, risk and items overlooked during the assessment and execution phase. Click the link below for a 30-minute call.

» [SCHEDULE A 30-MINUTE CALL](#)

» [DOWNLOAD the G6 PDF](#)

CIADA ENDORSED PROGRAMS

CIADA HEALTH BENEFIT PROGRAM

CIADA offers an exclusive benefit program through Taggart & EP6ix that combines medical plan options, ancillary and voluntary benefits under one program.

INFORMATORY WEBINAR

SCHEDULE CONSULTATION

EMPLOYER SURVEY

EMPLOYER SURVEY



ELECTRONIC REGISTRATION AND TITLE

Calculate Exact Taxes and Fees

A move to electronic can help you prepare transactions for the DMV in under 4 minutes.

Are you ready?

PODCAST SERIES

LEARN MORE

CONTACT BRIAN



SAVE THE DATE FOR THE 2023 CHARITY FUND GALA

NOVEMBER 18, 2023