

Judge Rules In Our Favor

In the lawsuit filed by Ultra Bond against State Farm and Lynx Services from PPG in the Federal District Court in Denver Colorado, Judge Robert Blackburn denied the Defendants' motions to dismiss the Unfair and Deceptive Trade Practices and the Tortious Interference with Prospective Advantage and Contractual Relations. The anti-trust claims were dismissed without prejudice because Ultra Bond

attempted to limit this lawsuit only to the repairable windshield market for State Farm's customers, and did not include all insurance claims for cracked windshields with similar restrictions (six inches) as adopted by State Farm. Ultra Bond is pleased to now have the suit move into discovery with the Deceptive Trade Practices (a consumer protection act) and Tortious Interference.

ULTRA BOND WINDSHIELD REPAIR and REPLACEMENT

Grand Junction, Colorado 2002 & 2003 STATISTICS

Total Repairs: 1,351

Total Replacements: 103

Repair Ratio = 93%

Total Crack Repairs : 638 *excludes stone breaks

Actual Repair Ratio = 86%

CRACK REPAIR VS. REPLACEMENT

Crack Repairs:

Edge Cracks: 573 which is 90%

Floater Cracks: 65 which is 10%

Cause of Replacements:

Edge Crack: 76%

Floater Crack: 11%

Stone break: 2%

Miscellaneous: 11%

SIZE PERCENTAGE

Length of Crack Repairs:

< than 6 inches: (dollar bill): 63 10 %

7-12 inches: - 339 53 %

13-18 inches: 179 28 %

> 18 inches - 57 9 %

CONCLUSIONS

* 91% of repairable cracks are 18 inches and under

* 63% of repairable cracks are 12 inches and under

* Only 10% of repairable cracks are "less than the size of a dollar bill" and yet that is how windshield claims are being adjusted by the insurance/networks.

* 86% of the 10 million annual windshield replacements are repairable (actual repair ratio).

* Under the present crack repair policies of State Farm, Lynx, Safelite, and other insurance companies the "actual repair ratio" would have been 9% instead of 86%.

* Edgeguard would have eliminated 76% of the replacements; 90% of the crack repairs; and 49% of the total number of claims.

FACT

Windshields are being adjusted by the length of the crack, six inches (size of a dollar bill). This is costing the windshield repair industry (and consumers) millions of repairs per year.

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Ultra BOND e-mail address and web

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web: www.ultrabond.com

www.edgeguard.com

SAFELITE CONTINUES TO REPLACE REPAIRABLE WINDSHIELDS

Hartford - Safelite

Insured: Laverne M.

Invoice: Replacement

H: Thank you for calling the Hartford Glass Service, this is Alexis speaking, how may I help you?

UB: Hi Alexis, I have an insured in my shop who already made a claim about 5 days ago, but he wants a different glass company to put it in, so its just changing vendors. His name is Laverne M_____

H: My system just kicked me out. I'm trying to sign back in, it will be just a moment.

UB: Do you need the policy number or anything?

H: No, I'll get that from you in a minute.

UB: Okay.

H: Do you have a referral number?

UB: He does not have the claim or referral number, it's at home. He just stopped by my shop.

H: Do you have his phone number?

UB: His phone number: 970-242-_____.

H: May I speak to the insured please?

UB: Sure.

H: Hello sir?

I: Yes.

H: How are you doing today?

I: Okay.

H: Is this Mr. M_____?

I: Yes, it is.

H: My name is Alexis Francis, I'm with the Hartford Glass Service.

I: Safelite you mean?

H: This is the Hartford Glass Service. I understand you want to switch shops is that correct?

I: Yeah.

H: This is for a windshield replacement.

I: Correct.

H: You have a \$100 deductible.

I: Correct.

H: And what shop is it you want to go with then?

I: Hang on a second. I want the Edgeguard windshield from Ultra Bond.

H: Is that the name of the shop?

I: I think so, the name of the shop is Ultra Bond.

H: Ultra Bond. Out of Grand Junction?

I: Correct.

H: Okay, hang on while I cancel your other appointment.

(conversation with Mike from Safelite cancelling windshield)

I: I was going to ask you about having the windshield repaired rather than replaced. What's the Hartford's policy on that?

H: Well if the windshield can be repaired rather than replaced, there is no out of pocket expense to you at all.

I: Gotcha.

H: Repairing the windshield is a lot better for it simply because it won't break the factory seal on the windshield.

I: Right. Okay.

H: We promote trying to preserve those seals because after you switch windshields, its really never the same. But if it can be repaired, we like to repair it, but if it can't be, then replacement is the option.

I: Okay, well see I wasn't even offered that option when I first called.

H: They probably offered it to you without really offering it to you. Did they ask you if the damage is larger than a dollar bill?

I: That's correct.

H: Okay, that's the way we determine whether its repairable or not.

I: Well, can I think about this over the weekend rather than have it replaced, maybe I'll just have it repaired.

H: Is the damage larger than a dollar bill?

I: It is now, in fact it was originally when I called.

H: Well if it is larger than that, they probably can't repair it.

I: Well, no he said he could repair it. He said he could repair it, but I'm not sure if I want to go that route, but at least I want to know that I have that option.

H: Right and the repair process is provided to you free of charge. Just keep in mind that the windshield is like a safety feature on your vehicle and repairing it would be a lot better than breaking the factory seal.

I: Yeah, well on this windshield, it is very expensive too. Well if I decide to have it replaced I will call you back.

H: Just call us back and let us know what's going on, okay?

I: I'll let you know either way of course. Okay?

H: Anything thing else I can help you with?

I: That should do it.

H: Thanks for calling the Hartford Glass Service.

TECH TO TECH

Introducing Thad Dearden Scott City, KS



Thad is 37-years old, is married to Jenna and has four children ranging in age from 5 to 17. He was looking for something to supplement his income and came across an Ultra Bond advertisement in Entrepreneur magazine. At that time there were no other windshield repair companies in his area, thought it would be a good business, and joined Ultra Bond in September of 1993.

Scott City, located in the western part of Kansas, is very rural and only has a population of about 5000. He also services Lane and Wichita counties. The benefit to working such a rural area? Hundreds of miles of rocky country road, leading to many, many broken windshields.

Thad describes Scott City as nice place to live and raise a family and the weather, with the exception of high winds, is generally mild. This moderate climate allows Thad to be mobile for most of the year. He uses his shop for his long crack repairs and during the winter, giving him control of the lighting and temperature he is working in. He also services many buses and trucks though, they don't always fit inside.

When asked how long it took Thad to feel comfortable with his repairs, he states "It took about 6 months before I felt confident enough to know that when I walked away from a vehicle, it was fixed for good." And at that time he was only doing repairs part-time. "But now", he says "I know that I am the best at what I do and the only one in Western Kansas that can repair a long crack." Thad generously gives credit to his success to the Ultra Bond system and staff support.

His favorite comment from customers is when they say "WOW, I can't even see it!" and says that his customers are pleased with the appearance of his repair work and the fact that they don't need to replace their windshield.

Although Thad does advertise in the local papers and yellow pages, he agrees that the best marketing method has been word-of-mouth. He will make sure to leave a couple extra business cards with each customer and soon has their friends calling for service.

The competition has grown in his area since he first started, with about a dozen like businesses, but Thad is still the only one that provides long crack repair. Some other things he has seen that have affected repair over the years is the cheaper windshields from the Asian glass market. Sometimes the customer will think that it is better to buy a new windshield until he explains the benefits of repair and possible dangers of replacement. He also has had some trouble with the Networks, correctly stating that "you have to jump through a few more hoops than you used to, but it's just a matter of playing by their rules or you don't get to play." Ultra Bond hopes to change a few of those rules.

What recommendations does he have for our other technicians?

1) Clean both the inside and the OUTSIDE of the windshield AND both front windows and mirrors.

"I get a ton of praise for this simple act."

2) I pull a vacuum on stars and bullseyes for 3-4 minutes and if the temperature is cool, he heats the underside of the break to help evacuate the remaining air in the damaged area, making sure to remember that the area has to return to normal temperature before it will fill and cure correctly.

3) Most importantly, remember that the customer you are with at that time is the only customer in the world. Don't rush a repair. If it is going to take you longer than you thought, call your next appointment and re-schedule, both customers will appreciate you taking your time to do the job right the first time.

We think Thad has hit the nail on the head with the way he described working with the Networks as "playing by their rules" and his technician recommendations. It's fun for us and I hope for the rest of you to hear what others are doing, especially someone who has been doing repairs for as long as Thad. Thanks Thad!