

Auto Body Labor Rate Report Warns of Growing Safety Risks for Massachusetts Drivers

News-Press Release

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Summary

Failure to update insurance reimbursement rates threatens proper vehicle repairs, technician training, and public safety.

Message

Boston, MA, January 27, 2026 -- A newly released report from the Commonwealth's Auto Body Labor Rate Advisory Board warns that outdated insurance reimbursement rates "not shop labor rates" are creating a ripple effect that threatens the safety of Massachusetts motorists and everyone sharing the road. The report found that a majority of the Board agreed insurance reimbursement rates for auto body labor must increase to reflect economic reality. The findings also make clear that the Board did not reach any evidentiary conclusion that fairer reimbursement rates would automatically result in higher auto insurance premiums.

â€œThis is not about what auto body shops charge" itâ€™s about what insurance companies are willing to reimburse,â€• said Lucky Papageorg, executive director of the Massachusetts Auto Body Association (MABA). â€œWhen reimbursement rates fall far below the real cost of safe, modern repairs, the consequences show up on the road.â€• According to the report, insurers currently reimburse a weighted average of approximately \$49 per hour for auto body labor. That figure falls far below the actual cost of operating a modern repair facility in Massachusettsâ€”one of the most expensive states in the country. Never mind how it compares mechanics who donâ€™t do collision repair and are getting paid anywhere from \$125 to nearly \$300/hour. That pay gap limits a collision shopsâ€™ ability to invest in ongoing technician training, advanced equipment, and manufacturer-required repair procedures. â€œTodayâ€™s vehicles are more complex than ever,â€• Papageorg said. â€œAdvanced driver assistance systems, electric vehicles, and new materials all require specialized training and precision. When shops canâ€™t afford that training, vehicles may be repaired improperly, develop ongoing problems, or worse, become a hazard on the road. Thatâ€™s a safety issueâ€”not a business talking point.â€• The report also highlights a growing workforce crisis. Auto body shops are losing experienced technicians to shops across state lines where reimbursement rates are higher. Technicians are also moving to other trades that offer higher pay while fewer young people are entering the collision repair field at all. â€œThe Boardâ€™s findings confirm what shop owners see every day,â€• said Matthew Ciaschini, president of MABAâ€™s board of directors and owner of Full Tilt Auto Body in Hatfield. â€œReimbursement rates have not kept pace with reality, and that puts safe repairs at risk. Whatâ€™s equally important is what the report did not findâ€”thereâ€™s no evidence that fairer reimbursement rates would trigger major insurance policy increases.â€• MABA leaders also emphasized that insurers do not set auto body labor rates, despite common misconceptions. Auto body shops, like medical providers, establish rates based on what it takes to operate safely and correctly. Insurance companies then determine how much they will reimburse. â€œThis works just like healthcare,â€• Ciaschini said. â€œA doctor charges whatâ€™s necessary to deliver proper care, and the insurer decides what portion theyâ€™ll reimburse. The care doesnâ€™t become less complex just because reimbursement is lowerâ€”and neither does a vehicle repair.â€• Added Ciaschini, â€œWhat ends up happening is that you have some collision shops doing the repairs at the insurance companyâ€™s reimbursement rate just to get the business. These tend to be the shops who donâ€™t invest in new technology for technicians and this is where the unsafe repairs. Whatâ€™s the alternative? You go to a shop that has the trained staff and current technology to conduct a safe repair. Only the collision shop has to charge a co-pay to address the skill level of the repair. That alienates the customer who rightfully thinks insurance should cover the repair and make them whole. It can create a bad feeling all the way around.â€• The Advisory Board report makes clear that without meaningful adjustments to insurance reimbursement practices, Massachusetts consumers face longer repair times, fewer qualified repair options, and increased safety risks on the road. â€œIf we want vehicles repaired to manufacturer standards, a skilled technician workforce, and safer roads for everyone,â€• Papageorg said, â€œinsurance reimbursement rates must reflect economic reality. Safe repairs are not optional.â€• About the Massachusetts Auto Body Association (MABA): The Massachusetts Auto Body Association (MABA) represents independent auto body repair facilities across the Commonwealth. MABA advocates for consumer safety, fair insurance practices, and a well-trained automotive repair workforce. For more information, visit <http://www.maba.org>

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