



**Manitoba  
Public Insurance**

**Business Rules: Direct Billing for Loss of Use  
Rental Vehicle Companies**

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## Introduction

This document outlines the business rules that Rental Vehicle Companies must follow when direct-billing MPI for Loss of Use.

If a Rental Vehicle Company is found to be operating outside of these rules, penalties may include:

- Canceling the ability to direct-bill MPI
- Terminating access to MPI's loss of use web portal

The rules contained in this document apply to "Rental Vehicle Companies" only (as defined below). Rules governing repair shop "courtesy car providers" (as outlined in MPI's ATA/MMDA agreement) are outside the scope of this document.

A "**Rental Vehicle Company**" is a vendor that meets all of the following conditions:

- Direct bills MPI for loss of use
- Invoices MPI for replacement vehicles as an entity separate from any repair shop
- Administers its rental transactions through the use of formal rental vehicle agreements that are signed by its customers

"Direct-Billing" means the vendor invoices MPI directly on behalf of the customer through the web portal or via paper invoicing.

## 1. Rental Vehicle Rates

MPI will pay the Rental Vehicle Company for MPI customers having a third party entitlement according to the rental vehicle agreement.

## 2. Managing Loss of Use Costs

### 2.1. Role of Rental Vehicle Company in Managing Costs

Rental Vehicle Companies will assist MPI and the customer in managing vehicle rental costs as described in the sections that follow.

In general, Rental Vehicle Companies will:

- Explain MPI's loss of use policies to customers, including policy limits
- Contact repair shops prior to the expected repair completion date to ensure that repairs will be completed before the rental authorization end date, and determine the reason for any delays
- Report any delays to MPI prior to the rental authorization end date, along with the reason for the delay
- Notify the customer and the repair shop in cases where MPI determines that it will not pay for loss of use expenses on a claim, whether there is no coverage at the outset or it is revoked later.
- Advise the customer of their responsibility to mitigate their rental exposure.

## 2.2. Managing Costs - Rental Duration

Rental Vehicle Companies will explain to customers that they have a duty to minimize the length of time that they endure the loss of use of their vehicle (for example, ensuring repairs are undertaken in an expedient manner).

Rental Vehicle Companies will explain to customers that MPI will only pay for loss of use coverage up to the applicable prescribed limits.

Rental Vehicle Companies will monitor repairs with the repair facility and notify MPI of any unusual delays in the repair process as soon as possible. Rental Vehicle Companies must notify MPI immediately if there is a delay in repairs due to a back-ordered part, and provide the expected date of arrival for the part.

Rental Vehicle Companies will provide a valid reason satisfactory to MPI to support all requests for additional loss of use.

Rental Vehicle Companies will submit approval requests prior to the completion of vehicle repairs and return of vehicle. Where the approval request is received after repairs are completed and the vehicle is returned, MPI will not consider unreasonable delays by the shop.

### 2.2.1. Driveable Vehicles

Rental days will be calculated at 8 hours per day. Where the calculation results in a partial day entitlement, the partial day will be considered a full day.

Whenever possible, repair hours of less than 40 hours should be scheduled at the beginning of the week.

Repairs that extend over the weekend will be approved on an individual basis according to circumstance.

No allowance on loss of use time will be made for parts delay on original estimate.

An allowance on additional loss of use time will only be made where parts were missed on the original (01) estimate and the vehicle is unable/unsafe to go back on the road or where the repair facility is waiting for a road inspection.

One extra day will be allowed for paint curing and drying. Paint dry time is only applicable once per claim.

Reason for Loss of Use	Duration Guideline	Definition and Notes
Repair and paint labour time	Based on estimate	1 rental day allowed per 8 labour hours. Partial days will be rounded up to a full day.
Paint dry time	1 day	1 day allowed where MPI estimate includes paint labour
Weekend or Stat Days	automated	Loss of use resulting from repairs that cannot be completed within the normal Monday-Friday workweek.  Repairs on drivable vehicles should be scheduled to avoid unnecessary loss of use. For example, repairs of 40 hours or less should be scheduled at beginning of week. Where

Reason for Loss of Use	Duration Guideline	Definition and Notes
		repairs on a drivable vehicle needlessly span a weekend, MPI will not pay for loss of use.
Repair and paint labour time	1-3 days	<p>Loss of use resulting from the need to order integral parts that were <i>not</i> identified on the initial (01) estimate.</p> <p>Repairs on <i>drivable</i> vehicles should be coordinated with part delivery to avoid unnecessary loss of use. MPI will not pay for loss of use where the vehicle is drivable and the part is on the original estimate.</p> <p>Where a supplement has been approved, MPI will not pay for loss of use where the shop opts to wait for all parts to arrive rather than starting work immediately.</p> <p>Where there is a delay in receiving parts identified after the original estimate, the vehicle shouldn't be unnecessarily kept in the shop if it is safe to be driven. For example, MPI will not pay for loss of use if the vehicle has been repaired with the exception of a back-ordered moulding.</p> <p>The Rental Vehicle Company must notify MPI immediately if there is a delay in repairs due to a back-ordered part, and provide the expected date of arrival for the part.</p>
Unsuitable parts	2 days	Loss of use resulting from unsuitable parts (usually refers to an unsuitable recycled part).
Road re-inspection	2 days	Loss of use resulting from the need for an MPI road estimator to attend the shop to approve additional repairs.
Sublet	1 day	Loss of use resulting from the transfer of the vehicle back and forth to a different repair facility to perform specialized repairs.

### 2.2.2. Non-Driveable or Total Theft Recovered

Liability and coverage must be established. To prevent delays, the Rental Vehicle Company must confirm the customer’s repair shop selection when the customer enters the rental agreement.

Reason for Loss of Use	Duration Guideline	Definition and Notes
Adjusting Allowance	5 days	Time that an undriveable vehicle sits waiting in an MPI compound for an adjuster to determine liability and coverage, and whether vehicle is repairable or a total loss.
Estimating Allowance	5 days	Time that an undriveable vehicle sits waiting in an MPI compound for the initial estimate.
Confirm Price/Marginal	5 days	Loss of use resulting from the need for a shop to do a more detailed estimate on a vehicle that is close to being a total loss.
Road Estimate	2 days	Time that an undriveable vehicle sits waiting in a non-MPI location for the initial estimate.
Customer View Time	2 days	Extra downtime resulting from a customer having to attend the shop to review damages after their undriveable vehicle has been towed to the shop.
Order initial parts	2 days	Loss of use arising from a delay in parts from the original estimate for an <i>undriveable</i> vehicle.  MPI will not pay for loss of use where the shop opts to wait for all parts to arrive rather than starting work immediately.
Parts Delay - First Amendment	2 days	Where there is a delay in receiving parts identified after the original estimate, the vehicle shouldn't be unnecessarily kept in the shop if it is safe to be driven. For example, MPI will not pay for loss of use if the vehicle has been repaired with the exception of a back-ordered moulding.  The Rental Vehicle Company must notify MPI immediately if there is a delay in repairs due to a back-ordered part, and provide the expected date of arrival for the part.
Parts Delivery	2 days	Wait time for parts to be delivered to the repair shop.

### 2.2.3. Total Loss

Reason for Loss of Use	Duration Guideline	Definition and Notes
Total Loss	5 days	Time required to settle, or make a reasonable offer on a total loss claim.
Confirm Price/Marginal	5 days	Loss of use resulting from the need for a shop to do a more detailed estimate on a vehicle that is close to being a total loss.

### 2.2.4. Total Theft Not Recovered

Loss of use will be authorized after the applicable waiting period or a maximum of 15 days (where the customer carries Auto Loss of Use extension coverage) from the date of loss. Waiting periods are 72 hours for 1<sup>st</sup> party basic coverage and 24 hours for Auto Loss of Use extension coverage.

Any extensions on the loss of use will be determined on a case by case basis.

Reason for Loss of Use	Duration Guideline	Definition and Notes
Total Theft - Not Recovered	10 days (8 or more years old)  15 days (7 or fewer years old)	Number of days required to recover the stolen vehicle.  MPI will normally consider writing off a vehicle after: <ul style="list-style-type: none"> <li>• 10 days if it is 8 or more years old</li> <li>• 15 days if it is 7 or fewer years old</li> </ul> Loss of use coverage for total theft commences: <ul style="list-style-type: none"> <li>• the day following the report of the theft if the customer has ALE coverage, or</li> <li>• 72 hours following the report of the theft if the Customer has Basic coverage</li> </ul>
Immobilizer Installation	1 day	Downtime resulting from the requirement to install an immobilizer on a "Most at Risk vehicle".
Customer View Time	2 days	Extra downtime resulting from customers having to attend the shop to review damages after their stolen vehicle has been recovered.



### **3. Authorizations for Rental Allowances by MPI**

#### **3.1. Timeframes for Submitting Authorization Requests**

Rental Vehicle Companies must submit authorization requests prior to the completion of vehicle repairs and return of the rental vehicle.

#### **3.2. MPI Response Times**

Loss of Use portal may be used to automatically approve or deny loss of use requests, resulting in immediate response time to rental requests.

For additional requests for rental allowances that are not automated, MPI will respond as follows:

- For requests received before 9 AM on a business day, by 4 PM the same day
- For requests received after 9 AM on a business day, by 4 PM the next business day
- For requests received on a non-business day, by 4 PM the next business day

“Business Day” means a day that MPI Service Centres are open for business. MPI is normally open for business Monday-Friday, not including statutory holidays.

If MPI fails to respond within the timelines noted above for an extension of an existing allowance, the first day of the extension will be deemed to have been authorized.

#### **3.3. No Authorization for Loss of Use**

MPI will not authorize loss of use coverage in the following circumstances:

- Loss not reported
- Liability not determined/investigation not complete (for third party loss of use)
- Loss appears suspicious
- Coverage not confirmed
- File not located/reviewed
- Claim is under investigation
- If a safe temporary repair can be completed while waiting for parts
- Unreasonable shop delays including but not limited to:
  - Delays in estimate or supplement submission
  - Delays in parts ordering
  - Price-outs
  - Parts broken during repairs

#### **3.4. Rental Vehicle Company Follow-Up Requests**

Rental Vehicle Companies must wait 48 hours before sending a follow-up request or calling to inquire about a request. Exceptions may be made if the customer is unable to supply a credit card, or similar form of payment guarantee.

Rental Vehicle Companies seeking information must contact the Claim/Service Centre location noted on the request form, and specify the adjuster and claim number.

### **3.5. Revoking Authorization**

MPI reserves the right to revoke the authorization for loss of use if it receives additional information which brings coverage or liability into question, or if investigation becomes necessary.

In such cases, or where authorization for loss of use was based on a pre-authorized formula or by the adjuster, MPI will allow the Rental Vehicle Company 24 hours to notify their customer that MPI's authorization for loss of use has been revoked.

## **4. Information To Be Supplied by Rental Vehicle Company**

### **4.1. Information Required When Requesting Authorization**

Rental Vehicle Companies must provide the following information when requesting authorization for a rental vehicle:

- Claim #
- Rental Agreement #
- Customer First Name
- Customer Last Name
- Vehicle Class Supplied
- Rental Vehicle Plate #
- Rental Start Date
- Contact Location
- Contact Name
- Relationship between the renter and policy holder for the damaged vehicle (where they are different)

### **4.2. Information Required When Additional Rental Days Are Requested**

Rental Vehicle Companies must supply a valid reason along with any request for additional rental days.

### **4.3. Information Required When Requesting Payment**

Rental Vehicle Companies must provide the following information when requesting payment for a rental:

- Rental End Date
- Rental Duration (actual days used)
  - If MPI has approved excess days not required, the Rental Vehicle Company must input Actual Days on the invoice.
- Amount of "additional charges" (only applicable if Customer has ALE Level 2 coverage – see section "Additional Fees and Charges" – 3.0)

### **4.4. Rental Vehicle Is Exchanged For Another Rental Vehicle**

In cases where the Customer exchanges one rental vehicle for another, the Rental Vehicle Company must advise MPI of the change in vehicles.

#### **4.4.1. Billing MPI for Vehicle Exchange Date**

Rental Vehicle Companies must not duplicate-bill MPI for two vehicles for the rental day on which a vehicle is exchanged for another. For example, if a customer returns rental vehicle A in exchange for rental vehicle B on January 1, the Rental Vehicle Company may only charge MPI for one of the two vehicles for January 1.

## **5. Claims on Damaged Rental Vehicles**

### **5.1. Customer Responsibility for Damages**

The Rental Vehicle Company will not hold a Manitoba resident customer responsible for the cost of any damages to the rental vehicle in excess of the basic deductible where that damage falls within the scope of coverage under the Autopac plan.

### **5.2. Rental Vehicle Company's Role in Claim Investigation**

The Rental Vehicle Company will assist MPI in gathering the material facts surrounding the claim for damages. Examples of such assistance include:

- Obtaining an accident report from the renter when required
- Providing a copy of the rental contract to confirm that the date of loss is within the rental duration

### **5.3. Expediting Rental Vehicle Claims**

Within three business days, MPI undertakes to use reasonable efforts to provide an estimate for repairs to drivable rental vehicles owned by Rental Vehicle Companies that have signed a rental vehicle agreement with MPI and are within the Winnipeg and Brandon regional areas (a "Preferred Rental Company").

Where current capacity at the Service Centre or Claims Centre prevents prompt service, and the Preferred Rental Company is not offered an appointment within three business days of reporting a claim, the Preferred Rental Company may contact the Manager or Assistant Manager of the Bison Service Centre in order to expedite service.

Subject to policy coverage, conditions and exclusions, MPI will not withhold estimate sheets for Preferred Rental Companies' vehicle insurance claims without justification.

### **5.4. Rental Vehicle Insurance (RVI) Claims**

The Rental Vehicle Company will complete a full pre-inspection and post-inspection of the rental vehicle while the renter is present, so to eliminate claims against an RVI policy for existing damage.

A claim will initially be made under the rental vehicle's insurance regardless of the damage amount. MPI will complete an estimate prior to any repairs.

Upon confirmation of RVI coverage, MPI will waive the full \$750 deductible on the rental vehicle. MPI is responsible for collecting the \$200 RVI deductible from the customer.

The Rental Vehicle Company agrees that when a customer presents an RVI policy, they will not charge the customer directly for any damages. If the rental vehicle is repaired prior to MPI's inspection, the Rental Vehicle Company may forfeit its right to claim under their MPI policy, or pursue the renter for damages.

The Rental Vehicle Company will assist MPI in gathering the material facts surrounding the claim for damages. This may include obtaining an accident report from the renter when required.

For an outline of the RVI claim process, refer to the [Rental Vehicle Insurance Claim Process Flow](#) (located at [www.mpipartners.ca](http://www.mpipartners.ca) under Light Vehicles & Others > Policies & Procedures > Rental Vehicle Providers).

## **5.5. Down-Time on Rental Vehicles**

### **5.5.1. What is Down-Time?**

“Down-Time” (also referred to as “stand-by”) means a loss of revenue resulting from the loss of use of a rental vehicle through the negligence of a third-party motorist.

Normally, a Rental Vehicle Company is required to prove the amount of such a loss. MPI will forego this requirement of strict proof and pay downtime costs according to the Rental Vehicle Rate Card.

Rental Vehicle Companies must submit invoices for down-time to the Rental Vehicle Pod for payment. Invoices cannot be submitted through MPI’s loss of use web portal.

### **5.5.2. Notice of Down-Time**

Rental Vehicle Companies must advise MPI of the possibility that a "down-time" claim may be submitted at the time the claim is reported. A formal invoice will not be required.

### **5.5.3. Down-Time Rates**

Claims for downtime must be submitted within 90 days of the report date.

### **5.5.4. Down-Time Duration**

The Rental Vehicle Company and the Adjuster should work together to ensure that repairs are handled expeditiously, to minimize the amount of the down-time claim.

Claims for down-time will commence from the date of the report of the accident to MPI (not from the date of the accident). Discretion may be applied in cases where it is not possible for the Rental Vehicle Company to report the claim on the date of loss (e.g. MPI Contact Centre closed due to a statutory holiday).

#### **5.5.4.1. Repairable Vehicles**

For repairable vehicles, the downtime duration will be based on the MPI estimate.

- Loss reported date to first available estimate date. For undriveable vehicles, this will include the period that the undriveable vehicle sits waiting in an MPI authorized compound for the initial estimate.
- 1 “downtime day” will be allowed per 8 labour hours
- Partial days will be rounded up to a full day
- An additional day will be allowed for “dry time” if the damaged area requires painting

#### **5.5.4.2. Parts Delays**

Reasonable time will be allowed for the ordering and receipt of parts. Although MPI is not responsible for undue delays in repair of the vehicle due to the lack of availability of required replacement parts, MPI will work with the Rental Vehicle Company to look for alternate solutions (for example, repairing the part, using a recycled part, etc.).

#### **5.5.4.3. Total Losses**

Where the vehicle is determined to be a total loss and not drivable, down-time will be allowed from the date of the accident report to MPI, to the date and that an offer of settlement has been made. Insurance will be back dated to the day after the day of loss.

Where the vehicle is drivable, insurance will be backdated to the date of Total Loss signing. Generally, downtime would not be considered on drivable total losses.

### **6. Compliance With Business Rules**

#### **6.1. Penalties for Non-Compliance**

If a Rental Vehicle Company is found to be operating outside of the rules contained in this document, penalties may be levied which may include:

- Canceling the ability of that company to direct-bill MPI
- Terminating that company's access to MPI's loss of use web portal
- Termination of the rental vehicle agreement

#### **6.2. Retaining Copies of Rental Agreements**

Rental Vehicle Companies must:

- Keep customer-signed copies of all rental agreements for a period of one year following MPI's payment for the rental, and
- Provide copies of such rental agreements to MPI when requested to do so

#### **6.3. Compliance Audits**

MPI retains the right to audit the rental agreement records of a Rental Vehicle Company to ensure adherence to rental vehicle agreement and these business rules.

#### **6.4. Compliance by Employees**

Rental Vehicle Companies will ensure that all of their employees, staff and other personnel comply with these business rules.