

Background

MPI recognizes the tire market is unique when compared to most other replacement auto parts in the collision industry due to the large number of suppliers and inconsistent pricing. The following rules provide clarity, outline an expedited process, and ensure MPI pays a fair price. They also ensure the applicable betterment to the insured is set at an appropriate value.

When a tire replacement is required, it is necessary to compare prices listed from the various manufacturers' authorized suppliers in the marketplace and then make the lowest cost selection to charge on the estimate. Market price (shop cost) plus mark-up and applicable betterment will be calculated from the lowest cost price available in the market at the time of estimate.

Replacement of Undamaged Tires

A repair shop may request replacement of undamaged tires if required by manufacturer's minimum tolerance for difference in tread depth.

MPI estimators may approve the shop's request if supporting manufacturer documentation is provided, the required information may be available in documents such as the OEM repair procedures or an OEM service bulletin.

Rules

1. The lowest cost option must be selected.
2. The following information must be provided:
 - Tire description including manufacturer and tire name
 - Tire size
 - Load and speed rating
 - Tread depth measurement
3. The markup must not exceed 20%.

The markup amount above is the maximum allowed; however, repair facilities may choose to charge less.

4. Betterment must be added following the [Tire Betterment](#) guidelines.
5. A picture of the tire must be provided; tire description and size must be visible if possible.
6. When requesting undamaged tires, in addition to all the information listed in the previous rules, shops must provide OEM documentation clearly identifying the **requirement** of replacing undamaged tire(s).
 - Tread depth tolerances must be listed. Tolerances must have been exceeded before approval will be considered.
 - Position statements and recommendations are not sufficient documentation.

If the tire tread depths were already mismatched prior to the loss, at a difference equal to or greater than the allowable tolerances, then no consideration for undamaged tires will be allowed.

7. If the customer's specific tire make and model is confirmed obsolete and no longer available, the shop may source a different but comparable tire for equal or less market price.
 - All required information listed in the previous rules must be provided for both the original damaged tire and the comparable replacement tire that is being requested.

All requests are subject to audit and part selection reviews.

8. If a claim is made and the only visible damage is for a tire(s), the MPI or repair shop estimator may add the **Check Wheel Alignment** repair operation from Mitchell Cloud Estimating. The request for **Check Wheel Alignment** must be made in accordance with the [Wheel Alignments](#) standard.

Example

A repair shop has begun sourcing a tire for an estimate. They have found two tire suppliers that carry the same tire but offer it at different prices. The shop knows that they may source from whichever supplier they choose; however, only the lowest cost option must be added to the estimate to calculate markup and betterment. The shop proceeds to apply the more cost-effective part price to the estimate prior to submitting it to MPI for review.

Parts Autonomy Privileges

Tires are exempt from Parts Autonomy privileges.

Best Practices

Not all tires have wear bar indicators, for this reason it is acceptable to provide tread depth measurements from the bottom of the tread rather than the top of the wear bar indicators.

Reference

See [MPI Parts Business Rules](#), section 4 for tires.

See [Betterment & Depreciation](#) for replacement tire betterment application.

See [Invoices](#) for requirements of an invoice supplied for payment of a tire.

Use the [Alternate Parts Suppliers](#) look-up tool if you require assistance finding a tire supplier.

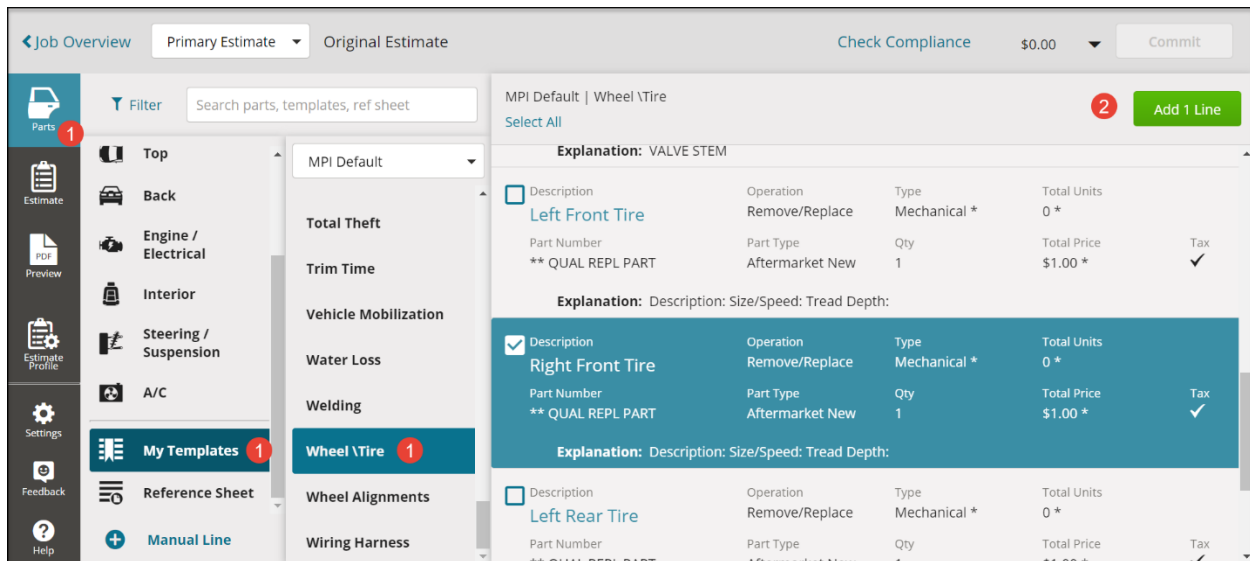
Procedure

Mitchell Cloud Estimating (MCE)

Follow this procedure to add a tire and tire markup to an estimate.

Begin with the estimate open in Mitchell Cloud Estimating.

1. From the **Parts** tab, select the **Wheel\Tire** category in **My Templates**.
2. Select the required tire line item(s) (**Left Front Tire, Right Rear Tire, etc.**) and click **Add Line**.



The screenshot shows the Mitchell Cloud Estimating (MCE) interface. The top navigation bar includes 'Job Overview', 'Primary Estimate', 'Original Estimate', 'Check Compliance', '\$0.00', and 'Commit'. The left sidebar has icons for 'Parts', 'Estimate', 'Preview', 'Estimate Profile', 'Settings', 'Feedback', and 'Help'. The 'Parts' tab is active, showing a search bar and a list of categories under 'My Templates'. The 'Wheel\Tire' category is selected, indicated by a red circle with the number '1'. The main area displays a table of tire line items. The 'Right Front Tire' item is highlighted in blue. A red circle with the number '2' is next to the 'Add 1 Line' button.

Description	Operation	Type	Total Units
Left Front Tire	Remove/Replace	Mechanical *	0 *
Part Number	Part Type	Qty	Total Price
** QUAL REPL PART	Aftermarket New	1	\$1.00 *
Tax <input checked="" type="checkbox"/>			
Explanation: Description: Size/Speed: Tread Depth:			
Right Front Tire	Remove/Replace	Mechanical *	0 *
Part Number	Part Type	Qty	Total Price
** QUAL REPL PART	Aftermarket New	1	\$1.00 *
Tax <input checked="" type="checkbox"/>			
Explanation: Description: Size/Speed: Tread Depth:			
Left Rear Tire	Remove/Replace	Mechanical *	0 *
Part Number	Part Type	Qty	Total Price
** QUAL REPL PART	Aftermarket New	1	\$1.00 *
Tax <input checked="" type="checkbox"/>			

3. From the **Estimate** tab, select the applicable line item(s) and enter the market price (shop cost) in the **Price** field.
4. In the **Explanation** line provided, enter the following information:
 - Description = tire manufacturer and tire name
 - Size/Speed = tire size, load, and speed rating
 - Tread Depth = current tread depth measurement
5. Add the tire markup, if applicable, as follows:
6. Select the drop-down arrow next to **Markup, adjustment or explanation**.

7. Select the **+/- Add Markup/Discount** option and enter the applicable markup percentage (20%).
8. Add the betterment, if applicable.
9. Select the drop-down arrow next to **Markup, adjustment or explanation**.
10. Select **Add Part Betterment** and enter the applicable betterment percentage from the Tire Betterment chart.
11. Select the **Tax** box.
12. Click **Done**.

Revision History

- June 2021 - Updated formatting and added new standard sections (background, examples, parts autonomy privileges, best practices).
- September 2021 – Added Mitchell Cloud Estimating procedures and screenshots.
- August 2023 – Added detail to rule 6 regarding mismatched tread depth prior to the loss, added new rule 8 for tire only claims.
- January 2025 – Added reference link to the Alternate Parts Supplier look-up tool.