

# 2021 Light Vehicle Accreditation Agreement FAQs

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The following are commonly asked questions and answers.

## **I previously did not sign the 2021 LVAA, how will I get retroactive payment ?**

All payments submitted to MPI on or after April 15<sup>th</sup> up until the date you have submitted a signed 2021 LVAA signature page to MPI will be eligible for the following rate increase.

- Body labour rate
- Refinish labour rate
- Frame labour rate
- Glass labour rates
- Paint material allowance

## **I previously signed the 2021 LVAA, but it was after April 15<sup>th</sup>. How will I get retroactive payment for the additional compensation?**

All payments submitted to MPI from the date you've submitted a signed 2021 LVAA signature page to MPI for claims submitted April 15<sup>th</sup> 2021 onwards, until your Estimating Profiles have been authorized for updating will be eligible for the following rate increase.

- Body labour rate
- Refinish labour rate
- Frame labour rate
- Glass labour rates
- Paint material allowance

### **I previously signed the 2021 LVAA prior to April 15th, how will I get retroactive payment for the additional compensation?**

All payments submitted to MPI from the date you've submitted a signed 2021 LVAA signature page to MPI for claims submitted from the date you submitted your LVAA until your estimating Profiles have been authorized for updating will be eligible for the following rate increase.

- Body labour rate
- Refinish labour rate
- Frame labour rate
- Glass labour rates
- Paint material allowance

### **Why aren't all the labour rates and Estimating Standards changes included in retroactive payments?**

In order to apply all compensation changes, each claim would require a manual review to apply all appropriate changes. Otherwise would create adjustments to claims impacting KPI movement, additional audit, part pricing, required documentation and complication around old standards and new standards.

### **When can I start to ask for new estimating standards?**

Once you've submitted a signed LVAA, you will need to wait on MPI to authorize your new profile rate changes and provide the required Long Expansion file.

### **What standards have been adjusted or created?**

1. **3 year sheet metal rule:** Vehicles 3 years or newer are eligible for OEM parts
2. **Pre-scan allowance:** Pre-scan allowance of .3 for collision perils, to align with the current post-scan allowance. 2012 model year and newer.
3. **Test Welds:** Up to a maximum of .5 per claim
4. **Weld burn refinish:** Allowance of up to 1.5 hrs maximum, dependent on finish time allowed for adjacent panels.
5. **Mobilizing vehicles:** \$100 per vehicle, for non-drivable claims. Will be paid in addition to the total loss teardown allowance if applicable on non-drivable vehicle.



6. **Training Allowance:** 50% of registration fee for Steel Structural and Aluminum Welding Qualification Tests
7. **Paint System Requirements:** Amended to read OEM or equivalent
8. **Total Loss Teardown allowance:** Allowance of 2.5 hours. Any additional time over 2.5 will require pre-approval.
9. **Air conditioning:** The sublet of \$26 and Freon pricing at \$18/lb will remain as previous.

### **What is changing with the welding qualifications?**

All Accredited Repair shops are required to meet I-CAR Gold Class welding requirements.

All I-CAR registered Platinum Steel Structural Technicians or Platinum Aluminum Structural Technicians employed at an Accredited Light Vehicle repair facility in Manitoba are eligible to receive a maximum 50% allowance towards the registration costs after the successful completion of the following welding courses offered by I-CAR Canada:

- ST105L01 (formerly SPS05)
- ST045L01 (formerly WCA03)

### **Why is ADAS calibration changing?**

We received feedback from the glass industry over the last year and have adapted our ADAS calibration allowance to the following:

- Flat fee of \$165.00 for static calibration
- Flat fee of \$165 for dynamic calibration
- Flat fee of \$330.00 for both dynamic and static calibration (when required)

### **Will MPI have more than one compensation schedule?**

MPI has only one compensation schedule for the 2021 LVAA. All shops who sign the 2021 LVAA will be eligible for the new compensation .

**Why were the designated and mechanical rates combined?**

The new mechanical rate will apply to all operations identified in the estimating software system as mechanical. The designated rate only applied to a limited number of mechanical operations, and required it to be added to the estimate manually. This change reduces administrative effort and potential missed compensation opportunities. Included mechanical operations within a body/frame labour overhaul operation will not be separated out.

**Why change the wheel alignment allowance?**

MPI has made the change to follow the estimating software published times for wheel alignment which will be paid at the new mechanical rate. Published times are typically higher than the 1 or 1.5 hours currently allowed. Published times often range between 2 and 3.5 hours. By making this change, in most situations, shops will see a significant increase in compensation that includes shop material for wheel alignments.

**Why are tooling requirements needed to be eligible for the aluminum/carbon fiber rates?**

MPI sees value in introducing this rate as more OEMs introduce aluminum components in their vehicles. The higher rate supports shops who have made a business decision to expand their capability to include proper aluminum capability. The tooling requirement ensures shops who take a repair that includes aluminum components have basic repair capability. If you chose not to expand your shop capability to include basic aluminum repair you would not be eligible for the aluminum rate even on straightforward remove and replace operations.

**What are the minimum aluminum tooling requirements?**

Shops who have met OEM or third-party aluminum program requirements would be eligible for the aluminum carbon fiber rate. Some of the tools you require for basic aluminum capability if you choose not to pursue an OEM or third-party program would be:

- Dedicated workspace or capability of separation to prevent cross-contamination
- Dedicated hand and pneumatic tools
- Ability to apply control heat of 400° F to 550 ° F

- Aluminum dent pulling system
- Welder
  - Metal Inert Gas (MIG)
  - Pulse Spray Arc
  - 220V minimum
  - No spool guns

For clarity, having basic aluminum capability may not meet Proper Repair requirements when it comes to more complex or structural aluminum repairs.

### **What are the accreditation training requirements?**

ICAR Gold Class is still required. MPI will work with each shop on a plan to meet Gold Class requirements.

### **What are the changes to the LVAA wording?**

MPI encourages you to read the LVAA in its entirety and to seek independent legal advice as appropriate, to assist in your review. The below is intended to be general information about some of the key changes:

- Insurance coverage requirement for shops has been increased from \$2M to \$5M. This change was made to align with MPI's usual requirement for \$5M insurance coverage with many of its other service providers.
- Clarified shop profile requirements to ensure shops keep their profiles, including key contact information, up-to-date.
- Clarified the rules around off-site estimating, and also clarified that shops may use photos to assist in scheduling of estimating appointments and planning work.
- Now permitting giveaways up to \$25 in value (provided they do not relate to deductibles, depreciation or taxes).
- Clarified the requirement for permanent repair facilities and the prohibition of temporary structures.



- Added information security practice requirements to better protect customers' personal information.
- Updated the arbitration process in the event of a dispute: Manitoba Public Insurance will initially pay all Arbitration Costs. Notwithstanding the foregoing, the arbitrator shall apportion the Arbitration Costs between the parties as the arbitrator deems appropriate. During the arbitration, a shop remains suspended unless the arbitrator orders their reinstatement. Also updated which matters are not subject to arbitration.
- Added clarifying language to both parties' termination rights. Shops are given the right to terminate for any reason with 90 days' notice (this is the same as previous LVAA) but now also have the right to terminate immediately if they do not agree to changes MPI may make to compensation going forward.
- MPI may make amendments to the LVAA and to compensation going forward. MPI will notify you of any changes. These changes would apply to you without you having to sign a new agreement or an amendment. If you do not accept the changes, you may terminate the agreement immediately within the 30-day period after you have been notified of the changes.

### **When would the Administration Charge apply?**

MPI will work with shops to address repair deficiencies. However, if the shop refuses to assist in resolving the issues identified, MPI may apply the Administration Charge. The Administration Charge is not new for 2021, as it was in the 2019 LVAA as well.

### **Why was the NAGs discount changed?**

Applicable to "Glass only claims" and Southern Rate Repair facilities only, MPI has eliminated the lowest cost glass policy as this has been a friction point with the glass repair industry. To maintain cost-effective repairs for Manitobans, MPI has increased the discount to 25%. MPI has also kept the 0% NAGs discount for the Northern region to align with our prior agreement.

If you have a question that hasn't been addressed here, please contact your Shop Relationship Advisor or email [MPI Partners](#).