



Glass Consultation Committee Minutes

March 14, 2022

1:00pm to 3:00pm – Virtual Meeting

Committee Attendance

- Vern Sisson, Industry
- Tana Carpenter, Industry
- Trevor Kindrat, Industry
- Denis Cloutier, ATA
- Renée Sicotte, ATA
- Lynsey Wilson, MMDA
- Robert Ferreira, MPI
- Gord Froese, MPI
- Sandra Lawless, MPI
- Steve Lupky, MPI

Regrets:

- Waldemar Koos, MPI

Welcome to Sandra Lawless who is the PD Claim Audit Coordinator who will be looking after the technical portion of the Action Items following the meetings.

Welcome also to Denis Cloutier who is the new Executive Director for the ATA.

Action items from previous meeting's agenda (January 10, 2022):

1. Shop Look-up Tool

- MPI has been working with their web team on the overhaul of the public site. There is no current capacity to create a demo of the tool until summer to be able to merge our physical damage and glass shop look-up tool.

2. MCG Enhancements

- Mitchell release 22.2 in July 2022 to improve shop admin efficiencies
 - Mitchell is committing to enable shops to upload more than one attachment at a time.
 - Shops are currently able to use mobile devices, however, enhancement will be made to upload directly from mobile devices.
 - Year 2020+ RAM vehicles to be eligible for MCG.
- 22.1 release in early April will include changes for better part number navigation.



- If there are other opportunities to improve MCG between meetings, bring forward to Robert.
- For RAM vehicle claims not eligible for MCG, these would be opened as manual glass claims for now (Renée brought this up). Robert confirmed that was correct.

3. ADAS Supporting Requests

- MPI will be investigating a GAU process that will be relying on the details in MCG and supporting invoices opposed to photos of cameras to determine if requested calibration was required.
- Vern mentioned that it is the same amount of work for the shop if it is an invoice or a photo that is required to be uploaded. Invoices are required when there are price changes regardless so this should lessen the concern.
- Tana mentioned relying on sublet invoices. MPI is unable to rely on the sublet invoice as the invoice details don't support what was required, only what was billed.

4. Review results of our recent process mapping with committee

- MPI met with the consultation committee volunteers a couple of weeks ago (Tana/ Renée /Vern)
- We mapped out and reviewed current process for a customer:
 - Captured common questions
 - Understood the frequency of customers calling-in vs. attending
 - What are some of those customer discussions?
 - What is best practice at each of your repair facilities?
 - Allows us to move ahead with next steps to review the glass claim process for MPI and shops and provide best practice to improve the customer experience.
 - Flagged some areas to review for improvements
 - Currently working on updates to our public websites to capture the common questions.
 - Also reviewed Mitchell procedures and found some items that require updating
 - Looking into the feasibility of a downloaded glass authorization form, so that a customer could sign off on a high-level signature sheet.
- MPI will leverage this exercise and will move ahead with keeping this committee aware of any improvements identified.
- Industry committee members stated that this was a valuable exercise.

5. Claims opened as manual glass claims

- MPI continues to monitor these claim types in hopes to reduce them.
 - MPI will be reaching out to shops who have a higher-than-normal average for manual glass claims and ensure they understand what is eligible for MCG.
 - MPI is providing feedback to the contact centre when we are made aware of the claims that should have been opened in MCG.
- We continue to focus on ways to reduce manual glass claims.



6. Outstanding Glass training

- MPI reviewed outstanding training requirements.
- Of the 401 glass shops: 243 have completed all courses, 92 have courses still outstanding, and 66 are working with ICAR and MPI to review staffing profiles.
- Will be reaching out to shops on their outstanding training and identifying who their glass techs are.
- Need to ensure that shops understand that if things are being sent out for sublet that it needs to be completed by an accredited facility.
- MPI wants to ensure only glass techs meeting accreditation requirements are replacing glass.
 - If repair facilities require assistance with MPI training requirements, they should be encouraged to reach out to our Partners email: partners@mpi.mb.ca.
- Regarding ICAR in general, MPI has reviewed our training requirements as well as other independent certification which aligns with our 3-year experience requirements.
- We can discuss independent certification further on another agenda if there is interest.

7. MPI to provide clarity internally and externally on glass shops being able to complete PD damages

- MPI will be releasing an industry communication and internal procedures regarding the claims that have more than just glass damage. MPI will be adding to the procedures on converting glass to a PD claim.
 - If the shop is willing and capable of taking on the PD repairs, they would need to contact AccreditedRepair@mpi.mb.ca.
 - Accredited Repair will assess shop capability, update the estimate and email the shop a copy of the estimate and apply cost effective parts.
 - MPI has created a Virtual Claim File (VCF) Shop Procedure that outlines various VCF related processes, such as amendment submissions and payment requests, into one document.
 - Any updates to the estimate will need to follow our VCF process as published on the MPI Partners site.
 - Ensure that first step is Accredited Repair for contact opposed to contacting the adjuster/estimator.
 - Rate for physical damage claim is determined by shop capability, then estimate sheets are updated and shared with the applicable physical damage rate. Each claim needs to be looked at independently. If any items are missed, the shop can request an amendment to update the estimate.

Additional comments from Industry:

- It's common for customers to be unsure if there is more than glass damage.
 - MPI is trying to address this concern with updates to our MPI public site and contact centre scripting as well as the process opening a glass claim for shops
- How many claims go from glass only to PD?
 - At this time, MPI does not have this data.



New Items to Discuss

1. *Glass Industry Presentation*

1. Tana shared a presentation on Industry Trends around glass pricing and increasing costs. (Presentation attached to the meeting minutes.)
 - There is no CPI increase annually from MPI, but the private insureds provide this.
 - The NAGS price list isn't reflecting what's going on in the industry.
2. Tana suggested that perhaps MPI could adjust the NAGS discount from 25% to 23% or add \$15 per claim for a market correction, similar to the Covid cleaning allowance.

Steve Lupky provided the following comments:

- Appreciate the information provided, and the sharing of thoughts from the industry. Information such as this is valuable and MPI is willing to consider these types of concerns as they arise.
- MPI recognizes there are challenges due to a variety of emerging issues. The glass consultation committee is designed for feedback like this; however, any review of compensation would be discussed with the Program & Accreditation Committee.
- MPI will review this information further, including the NAGS price concern and will add this item to the upcoming Program & Accreditation Consultation Committee agenda. MPI wants to better understand the NAGS pricing process.
- Renée said that ATA/MMDA has obligation to its members to bring this forward, therefore, would like to share the slide deck with the members. Steve advised ok by MPI as it's the industry's information and slide deck that was shared with us.
- Lynsey referenced information from other jurisdictions: SGI NAGS – 18%, ICBC Nags – 25%, same as MPI. SGI is currently in negotiations.

2. *Lack of required information on MCG claims and next steps to address*

- Police reports are lacking when required on claims submitted for payments; releasing a reminder to the trade.
- “What caused the damage to the vehicle?” field in MCG
 - When using “other” and “Unknown”, MPI expects shop to input some information in the line for more details. MPI is reviewing this process which may be avoided by adding more perils to the current drop down.
- Tax errors
 - MPI is working on a job aid to support shops in reducing this audit recovery.
- MPI trying to amalgamate reminders, perhaps on a bi-monthly or quarterly basis to streamline communications and not overwhelm shops with a large number of notices.

3. *Supporting the loss with images*

- MPI is looking for input on the issue of supporting damage with images. As an insurance company, MPI is required to validate a loss. It is an industry best practice, as well as a control against fraud.
- MPI is aware that this image requirement means an image on every claim. MPI is focusing on further reducing administrative efforts on glass claims and system improvements that would offset the work involved for this additional requirement.



- Trevor – it would double the time to supply picture since they'd have to walk out to the vehicle and take a picture and then upload.
- Vern – how can MPI tell if the damage is a stone or wildlife claim through a picture? He advised that he loses about 10 claims a year that someone tells him that they hit a bird and yet he can tell that it was someone punching the windshield inside the vehicle.
- MPI will validate losses and give benefit of doubt when we need to.
- MPI will keep everyone updated on this review and will continue this topic with the committee members over the coming months.

4. Walkthrough of MPI's Glass end-to-end process map

- MPI provided the committee with a walkthrough of our internal glass claim process.
- Spoke to the areas that MPI is currently reviewing for updates.
 - Looking at reducing reasons for emails and phone calls into the Glass Audit Unit (GAU) so MPI can improve its response and payment times to glass shops.
 - Looking at improving the process of converting from glass claim to PD claim.
- The committee members can contact Robert if there any suggestions on improvements to the glass claims process to improve for customers or repair facilities.
- Vern – shared examples of delays due to contacting GAU.
- Lynsey – Pending review process question around whether shops can have compliance run on their end prior to being run on MPI's end which can speed up the payment process. MPI is looking into this.
- Vern – shared concerns about the tax confirmation process. MPI explained how the tax responsibility conversation occurs and it's based on what the customer tells us. MPI is looking at the tax validation process and will report back.

Round Table

Vern:

- MCG has a dropdown to select if it's Mitchell or MPI. You can't move forward if you select Mitchell.
 - MPI will investigate and report back

Tana:

- Are shops able to identify the \$200 plus deductible to confirm repair coverage?
 - MPI confirmed a system change was completed back in July 2021 on the registration printing. Any registrations printed prior to July will not, but we are getting close to those being due for renewal. Always rely on MCG to direct you prior to starting any repairs.
 - Tana is on next agenda providing information on ADAS Calibration and now prevalent it is now (from Belron).



Renée:

- Process mapping: Renée believes that in order for a repair facility or glass shop to best protect themselves and MPI from fraud, a best practice is to ask the customer to see their insurance papers for the vehicle.
 - MPI will include this in our shop procedures for MCG as well as our new Glass Claim procedure to ensure shops rely on the system which would be the most accurate. The current registration with the vehicle may not have been the active policy during the time of the loss.
- A question was asked around MPI wanting to reduce the number of calls and emails into GAU. Is there an extreme number of calls from customers or shops?
 - MPI advised the majority of calls and emails are from shops. Glass facilities will also call on behalf of the customers. Contact volume into GAU is high.
- It's great to be given autonomy and trust, but there is always the concern of post-payment audit recoveries which frustrates shops. That's when glass shops look to MPI for guidance.
 - MPI is confident that shops will make the decisions that align with our published rules and support them with required documentation. If you aren't sure, you can always ask the GAU in advance. Our goal is to utilize resources where they are needed so we can improve our response rates for glass claims.

Trevor:

- Have no issue taking photos in general as they do lots of photos for DR. Sees larger value for a PD DR claim. But when it comes to glass, there needs to be an increase in trust similar to PD where shops are given EAL levels but in glass there is limitations to add a \$22 part.
- Has had times when he has told customer not to proceed with claim, yet MPI has given customer benefit of the doubt.
 - The Glass claim process is a good example of the trust that MPI has given to repair facilities to open claims and to notify MPI and customers when losses may not be as presented. Glass claims have something similar to earned approval limits with the exclusions on certain items today as these are currently system limitations. MPI mentioned throughout this meeting that we are looking to allow shops to add items to the invoice which will provide facilities with efficiencies and is an example of trust.

Steve:

- Given some of the discussion around authorities for glass shops, would there be industry interest in developing shop KPIs similar to our Direct Repair Program?
- The majority of the committee indicated an interest as KPIs are seen as beneficial, Renée, ATA Representative, was not in favour of any glass KPIs. Lynsey indicated a concern with two separate score cards for shops that are both glass and DR.
 - MPI advised that these are two separate lines of business, as is the date captured, so to combine would not be possible at this time.
 - More discussion to occur this year on this topic.



Action Items

MPI

1. MPI will investigate the feasibility of not requiring images to support ADAS and will report back.
2. Actions from process mapping to be reviewed with committee members
 - Review and update MCG MPI system procedures
 - Create a best practice glass process for shops to increase awareness to reduce challenges raised.
 - Find improvements to the glass authorization process
3. MPI to update Standard, procedures, and communication to increase awareness of converting Glass to PD claim and will circulate for feedback.
4. MPI will contact committee members regarding changes within the industry after further internal review.
5. MPI to create tax job aid for glass to reduce tax errors and will circulate for feedback.
6. MPI to further investigate requirements to support loss with images and consult regarding process.
7. MPI will look into the recent MCG pop-up when opening up a claim.

Industry

1. Tana to present ADAS trends at next committee meeting.

Next Meeting:

- Email to be sent out to set next meeting for mid-May 2022.
- If you have topics you'd like discussed on the next agenda, please forward those topics to Robert

Meeting adjourned at 2:50 pm.

Glass Committee

March 14th , 2022



MANITOBA
PUBLIC INSURANCE

Agenda

Updates to Previous Action Items

1. Shop look up tool
2. MCG enhancements
3. Claims opened as manual glass claims
4. ADAS - supporting requests
5. Review results of our recent process mapping with committee
6. Outstanding Glass training
7. MPI to provide clarity on glass shops being able to complete PD damages

New Items

1. Glass Industry Presentation
2. Lack of required information on MCG claims and next steps to address
3. Supporting the loss with images
4. Walkthrough of MPIs glass end to end process map.

Round table



Updates to Previous Action Items

1. Shop look up tool – Our web team won't be able to take on creating a testing site to demo until later this summer so this has been placed on hold.
2. MCG enhancements – Our two requested work tickets are still on track for this summer.
 - Multiple attachments 22.2 release (July timeframe). Currently you can only upload 1 attachment at a time. The fix will allow multiple attachments to be uploaded within the one upload. Taking 30 seconds to upload each attachment with an average of 3 attachments per claim this will provide 1 minute of admin reduction per claim.
 - Enhancing MCG for smart device's ability to be used to upload photos reducing the efforts in the process.
 - 22.1 release – Early April - Part number navigation and drill down easier
 - 2020+ Ram vehicles - none of the newer vehicles are decoding – May 2022 fix
3. Claims opened as manual glass claims
 - MPI will start to contact shops who have a higher than normal average to ensure they are aware of what is eligible.
 - MPI is providing feedback to the contact centre when we are made aware of the claims that should've been opened in MCG.



Updates to Previous Action Items

ADAS supporting requests

Last meeting there was discussion on using details in MCG opposed to the requirement of uploading a photo of the camera to support vehicle is equipped with ADAS and the invoice to support the right glass was installed.

1. What we're investigating

- Pilot out a process where Auditors don't rely on images on file but MCG Glass details.
- Opening a work ticket with Mitchell to investigate ability to indicate OEM Calibration requirements.

2. Based on pilot we'll report back on whether we will drop the image requirement from the glass standard.



Updates to Previous Action Items

Review results of our recent process mapping with committee

1. Review of process map
2. Common customer questions asked captured
3. Common discussions with customers captured
4. Next steps:
 - Published best practice procedures on Partners to support Repair facilities.
 - Feasibility of using a downloaded Glass Authorization Form for shops that wish to.
5. Updates to public website so customer knows what to expect as a process.



Updates to Previous Action Items

1. Outstanding Glass training

- Accredited Repair is following up with all repair facilities.

Details	Shop Count	Percentage
All Courses Completed	243	61%
Courses Outstanding	92	23%
Unable to Determine	66	16%
Total	401	100%

2. Review of ICAR GLA02

- Page 17 there is an independent certification program. We could discuss. Which also require 3 years' experience which aligns with our current requirement.



Updates to Previous Action Items

MPI to provide clarity on glass shops being able to complete PD damages

1. Customer attends with a Physical Damage claim that contains some Physical damage and glass. Example, a mirror or a tail light along with side glass damage.
2. If you're willing and capable of taking on the PD repairs the shop is to contact AccreditedRepair@mpi.mb.ca.
3. Accredited Repair will assess shop capability, update the estimate and email the shop a copy of the estimate and apply cost effective parts.
4. Any updates to the estimate will need to follow our VCF process as published on the MPI Partners site.
 - MPI has created a Virtual Claim File (VCF) Shop Procedure that outlines various VCF-related processes, such as amendment submissions and payment requests, into one document

Next steps:

1. Working on updating our glass standard/procedure when we have a glass claim that becomes a PD claim stating the above.
2. Investigating ways to process glass claim through MCG prior to converting to PD.
3. Working on an internal procedure to increase MPI staff awareness regarding when not accredited rates applies and to direct those decisions to Accredited Repair.



New Items

1. Glass Industry Presentation
2. Lack of required information on MCG claims and next steps to address
 - a) Police Reports not being collected on required claims – NTT reminder
 - b) 'What caused the damage to the vehicle?' Field – commonly missed, we're considering dropping this requirement. Reminder to try to avoid using unknown as insured needs to support loss and MPI needs to validate the loss. (MPI looking at adding collision to drop down to reduce use of "other")
 - c) Tax Errors are common on glass invoices we're looking to reduce them
 - Job aid draft has been developed
3. Supporting the loss with images
 - a) Validation of loss is important as it's also a standard insurance requirement
 - b) It's a control against fraud
 - c) It's common practice with other Insurers
 - d) As we're aware that this image requirement means an image on every claim MPI is focusing on making several reductions in efforts above what we've done and improvements to system that will offset this requirement.



New Items

Walkthrough of MPIs glass end to end process map.

- Provide high level awareness of the Glass Claim Process at MPI
- Spoke to areas that we're investigating from our process map.
 - Reducing reasons for emails and phone calls into GAU
 - Converting a glass claim to a PD claim
 - Required documentation



Questions & Round table





INDUSTRY TRENDS

March 2022

POST-PANDEMIC MARKET PERSPECTIVE

Three key macro economical factors impacting the direct and indirect supply markets

1.) Increased transport shortages and cost



- Over 40% of our vehicle glass and accessories supply is coming from Asia.
- High demand have boosted sea freight prices 350% since summer 2020.
- **This is not temporary:** long-term shipping rates will continue increasing and we do not expect rates will go back to old levels.
- Suez Canal blockage had a cascading effect on global shipping.
- Russia-Ukraine war and its impact on chip production and new car roll-out

*Includes Energy

2. Increased raw material cost* and production shortages



- Vehicle glass production is energy intensive and glass costs are increasing due to the high cost of energy.
- Fuel prices has caused transport companies to increase prices for glass distribution.
- 600% increase for nitrile gloves during COVID pandemic due to scarcity. Prices are still over 300% and not expected to return to “normal” in 2022.

3. Increased labour cost & inflation



- VGRR jobs are getting more complex and ADAS penetration is increasing.
- Jobs are taking longer and therefore we can not do as many in a day. Coupled with handling claims management on each MPI job adds an additional 15 minutes. Negatively impacts Branch productivity
- Highest inflation rate of 5.5% since Feb 2003.

INFLATION CANADA (Manitoba)

GEO

Manitoba

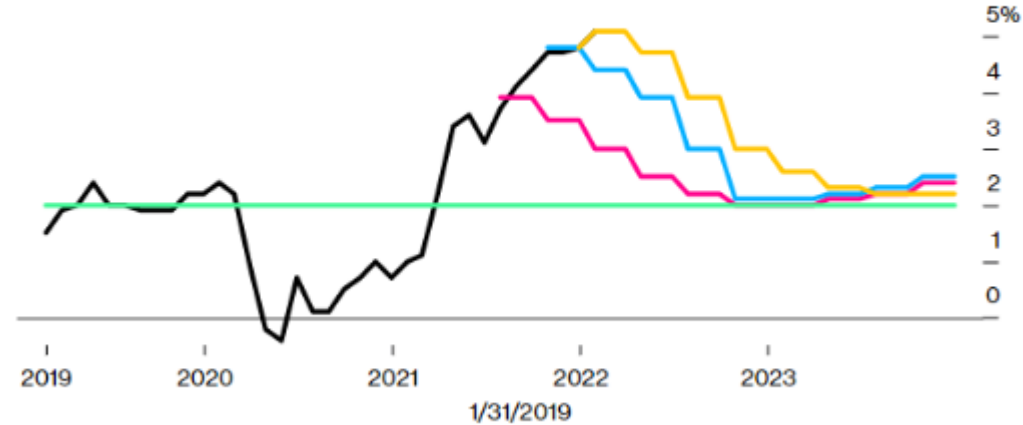
CPI % (12 Months Basis)

Year	Month	CPI	Last Year
2021	January	0.7	2.5
2021	February	0.4	2.3
2021	March	1.6	1.0
2021	April	3.2	-0.6
2021	May	3.4	-0.5
2021	June	2.9	0.4
2021	July	3.6	0.4
2021	August	4.4	-0.1
2021	September	4.7	0.2
2021	October	4.7	0.1
2021	November	4.6	0.6
2021	December	4.7	0.1

Overshooting the Mark

Inflation pressures higher than Bank of Canada's earlier forecasts

Yearly Change in CPI July Forecast Oct. Forecast Jan. Forecast Target



- Highest inflation rate since Feb 2003.
- Bank of Canada Raises Policy Rate to 0.5%, sees more hikes ahead.
- Expected to decline at the start of 2022. with Russia-Ukraine war Forecast may be adjusted to reflect Omicron variant.

Strongest pressures coming from:

- Transportation increased by +10.1%
 - Steepest since March 2003
- Energy costs increased by +25.5%
 - Directly affects the cost of manufacturing glass

In order to maintain the constant demand for quality of service towards your policy holders and to recover price increases passed on by our suppliers.

Glass cost from supplier's minimum + 6%

Transportation costs increase with additional charge since June 2021

Urethane cost increase +5% Sept 2021 and second increase of +8% across all product lines has been in effect since Jan 2022

Mouldings + 3%

Nitril gloves + 300% increase

Fixed costs + 5%

NAGS price list, issued three times a year (January, May, September) isn't following these cost increases:

T1: Jan. - April 2021:	Base
T2: May - Aug. 2021:	-0.29% price decline vs Q1
T3: Sept - Dec. 2021:	+3.02% vs Q2
T1: Jan. - April 2022:	+0.50% vs Q3

Two options: for discussion

- 1) NAGS discount reviews for -25% to -23%
- 2) Market correction on each invoice on a separate line (\$15.00)