

Notice to all Light Vehicle Accredited Repair Shops

A Joint Statement from MPI, ATA and MMDA on New LVAA Model Agreement

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The following email was shared with all members of the Automotive Trades Association and Manitoba Motor Dealers Association on behalf of the associations and MPI this morning.

Good morning,

Understanding that our shared responsibility in providing safe and proper repairs to Manitobans requires a strong and collaborative relationship, Manitoba Public Insurance (MPI), the Automotive Trades Association of Manitoba (ATA) and the Manitoba Motor Dealers Association (MMDA) have agreed to collectively transition to a new individual Light Vehicle Accreditation Agreement (2021 LVAA) model, centered on meaningful consultation between the repair industry, its associations and MPI.

We are pleased to share that the ongoing dispute, including arbitration, between MPI and the associations related to the termination of the 2019 LVAA has been resolved and we are moving forward in building a trusted, mutually-beneficial partnership.

Background

In March 2021, MPI issued Notices of Termination for the Industry Agreement and the 2019 LVAA to the associations and repair shops.

Over the past few months, issues around this termination and MPI offering the 2021 LVAA to repair shops were heard by an arbitrator. Initially, there was an injunction which prohibited MPI

from communicating with shops directly and extended the term of the Industry Agreement and the 2019 LVAA for those who had not signed the new 2021 LVAA.

On July 5, 2021, the arbitrator ruled that he did not have jurisdiction to establish a new Compensation Schedule and that MPI had complied with the requirements of the Industry Agreement and 2019 LVAAs in sending the Notices of Termination to repair shops. You can find more information on this decision in the attached PDF summary.

Moving forward together

It's important to note that throughout this process, all parties were working collaboratively to discuss improvements to MPI's initial proposal, the 2021 LVAA, when it terminated the Industry Agreement and the 2019 LVAA in March 2021.

As a direct result of feedback from repair shops and discussion between members of ATA, MMDA and MPI, the new 2021 LVAA model includes a revised **four-year compensation schedule** as well as a standalone consultation framework. Highlights of the new agreement, which has been revised from the originally offered 2021 LVAA, include:

- Increases in southern labour rates for body and refinish in each of the four years, beginning with an hourly rate of \$77 in Year 1, followed by \$78.50 in Year 2, \$80.00 in Year 3 and \$82.00 in Year 4.
- Increases in southern paint material rates, increasing to \$42.50 in Year 1, \$43.50 in Year 2, \$45.00 in Year 3 and \$47.00 in Year 4.
- The northern paint material rate will now include the 20 per cent northern differential
- A pre-scan allowance for collision perils.
- A mobilizing allowance for non-drivable vehicles.
- Allowances for test welds and weld burn refinish.
- A new training allowance providing for 50 per cent of the registration fee for steel, structural and aluminum welding qualification tests.

Additionally, the establishment of three standing committees – Technical and Parts Committee, Glass Committee, and Program and Accreditation Committee – was designed to allow broad representation in conversations about key industry issues. In particular, the Program and Accreditation Committee will be formed from ATA and MMDA representatives and senior leaders from MPI to ensure the associations continue to have the opportunity to raise ideas, discuss emerging repair industry trends and share concerns from their membership directly on their behalf. Together, we anticipate formalizing committee membership shortly with the intention of initial meetings for all committees being held in September.

Next steps for repair shops

Based on the July 5 decision from the arbitrator, **the 2019 LVAA agreement will automatically end in two weeks from today, July 26, 2021. A new revised 2021 LVAA, compensation schedule and signature sheet are attached for your review and consideration.**

For shops who had not previously signed the 2021 LVAA, please ensure that you have signed and submitted your signature page by July 26, 2021 to maintain your accredited status beyond this date. Shops signing by July 26 will be provided a retroactive payment to April 15, 2021 for body, refinish, glass and frame rates as well as paint material.

For shops who had previously signed the 2021 LVAA, there is no additional action required on your part – these changes will also apply to your agreement. You are not required to resubmit your signature page. For shops that signed prior to April 15, a retroactive payment will be made to the date of signature. For shops that signed after April 15, a retroactive payment will be made to April 15.

Additional information and FAQs about the new agreement and the standing committees will be provided in a Notice to the Trade later today. Should you have additional questions, please contact the Accredited Repair department at 204-985-7376.

Virtual Information Session: Tuesday July 13, 5:30 to 7 p.m.

A joint virtual information session on the 2021 LVAA and new consultation model, hosted by MPI, ATA and MMDA, will be held on **Tuesday, July 13 from 5:30 to 7 p.m.** You can access the event by clicking [here](#).

(Please note: This link will take you to a webpage where you can launch the meeting in your Teams app, or view it through your web browser if you do not already have the Teams app downloaded on your viewing device.)

Senior leaders from all three organizations will be available to answer questions about the revised LVAA and new consultation model. If you'd like to submit your questions in advance, please email them to publicmeeting@mpi.mb.ca.

As we all know, MPI and repair shops depend on each other to continue to serve Manitobans and ensure a strong repair industry throughout the province. As such, we believe that it is imperative that we are able to continue ongoing and open discussions on important industry issues – and this new model and agreement are key components to ensuring that happens in a fair and honest way for all facilities and their associations.

Based on the constructive engagement from all involved to find this new path forward, the ATA, MMDA and MPI remain committed to continuing to grow this relationship in the years to come as good and trusted partners.

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Geoff Sine
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