



Notice to all Accredited Repair and Glass Shops

# 2022 Repair Industry Town Hall

**Date published:** December 15, 2022

The 2021 Light Vehicle Accreditation Agreement is centered on meaningful consultation between the repair industry, its associations, and MPI. As part of this commitment, MPI hosted a series of repair industry Town Hall meetings in November 2022. These meetings provided an opportunity for MPI to share updates, hear remarks from the ATA and MMDA, and repair industry Consultation Committee reports. There was also the opportunity for questions and a discussion on issues raised by those in attendance. A copy of the presentation shared during these meetings is now available below.

MPI would like to thank the 90 plus individuals who attended one of the sessions. Takeaways from the Q&A sessions have been added to the agendas for the appropriate Consultation Committees to discuss further.

MPI would like to thank the Consultation Committee members, as well as the ATA, and MMDA for the collaboration and productive dialogue over the past year.

The minutes from the three Consultation Committee meetings can be found on MPI Partners under [Industry Consultation](#).

# Repair Industry Town Hall

November 9, 2022, 4:30 to 6:00 pm Winnipeg

November 16, 2022, 4:30 to 6:00 pm Brandon

November 22, 2022, 4:30 to 6:00 pm Virtual (via Microsoft Teams)



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# Agenda

1. Welcome and Introductions MPI
2. Remarks from ATA & MMDA
3. Updates from MPI
4. Committee Reports
  - Program & Accreditation
  - Technical & Parts
  - Glass
5. Questions
6. Closing Remarks



# Updates from MPI



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# Accredited Shop Counts

| Shop Type                  | Number of Shops |
|----------------------------|-----------------|
| Autobody / Frame and Glass | 205             |
| Autobody and Glass         | 20              |
| Autobody and Frame         | 5               |
| Glass                      | 175             |

- When combined with A/B there are 400 Accredited Glass shops
- 230 Accredited Collision Repair shops

| Shop Movement LVAA 2021 | Autobody | Glass Only |
|-------------------------|----------|------------|
| New Shops               | 2        | 8          |
| Ownership changes       | 7        | 4          |
| No longer accredited    | 7*       | 25         |

\* 2 shops closed their AB/F but kept Glass Accreditation



# Training Support

## ICAR Gold Class Allowance

| Year         | Count     | Dollars        |
|--------------|-----------|----------------|
| 2021         | 45        | \$4,050        |
| 2022         | 27        | \$2,430        |
| <b>Total</b> | <b>72</b> | <b>\$6,480</b> |

## Welding Course Allowance

| Year         | Steel Sectioning |                 | Aluminum MIG Welding |                |
|--------------|------------------|-----------------|----------------------|----------------|
| 2021         | 13               | \$5,525         | 11                   | \$4,675        |
| 2022         | 25               | \$10,625        | 7                    | \$2,975        |
| <b>Total</b> | <b>38</b>        | <b>\$16,150</b> | <b>18</b>            | <b>\$7,650</b> |

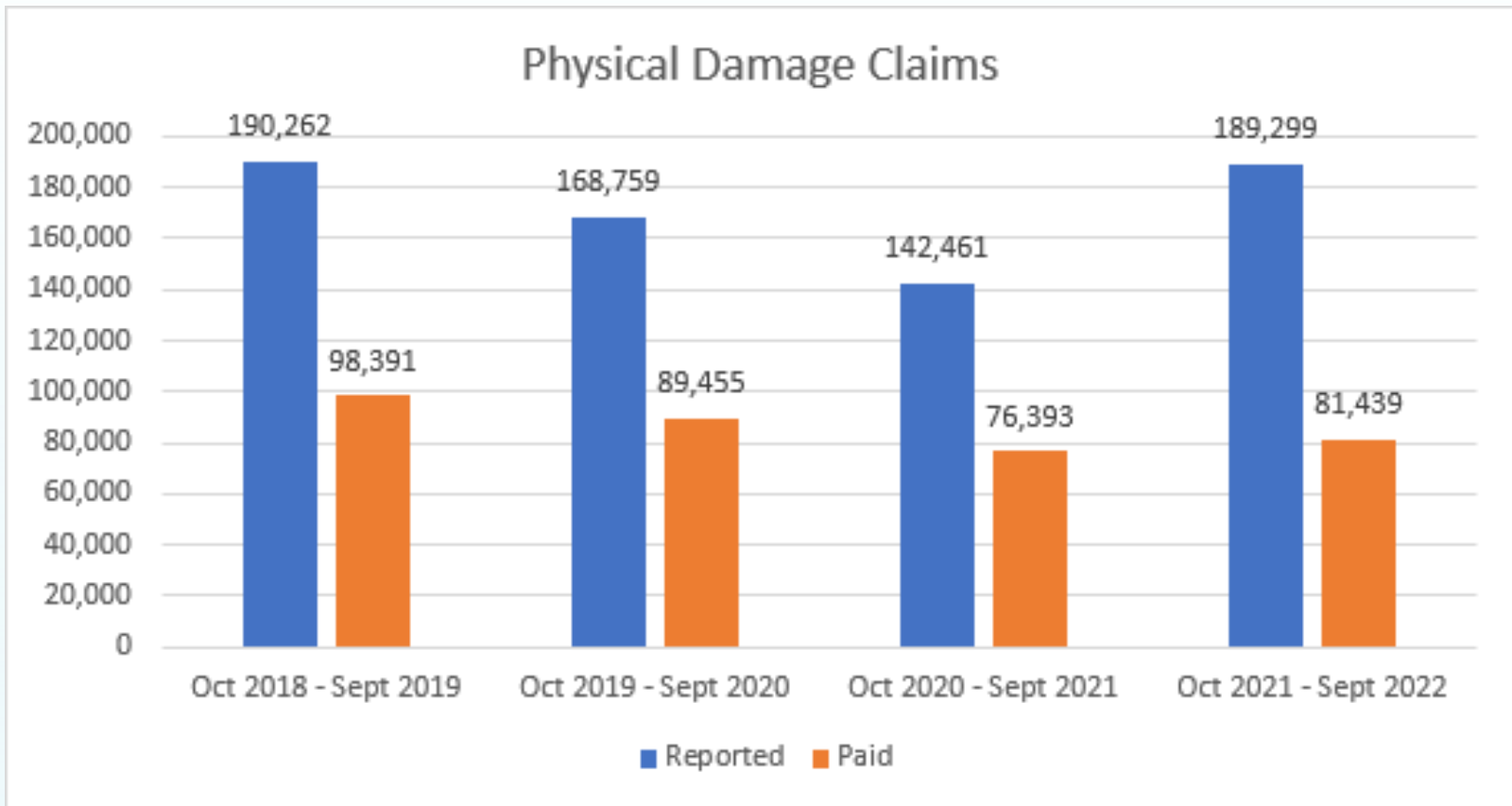
## Tool Allowance and Apprenticeship Grant Program

| Year         | Repairer Program |                  |                  | Painter Program |                 |                 |
|--------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|
|              | Count            | Grants Paid      | Tools Paid       | Count           | Grants Paid     | Tools Paid      |
| 2021         | 116              | \$190,000        | \$136,245        | 10              | \$20,000        | \$14,636        |
| 2022         | 43               | \$76,000         | \$64,425         | 2               | \$4,000         | \$0             |
| <b>Total</b> | <b>159</b>       | <b>\$266,000</b> | <b>\$200,670</b> | <b>12</b>       | <b>\$24,000</b> | <b>\$14,636</b> |



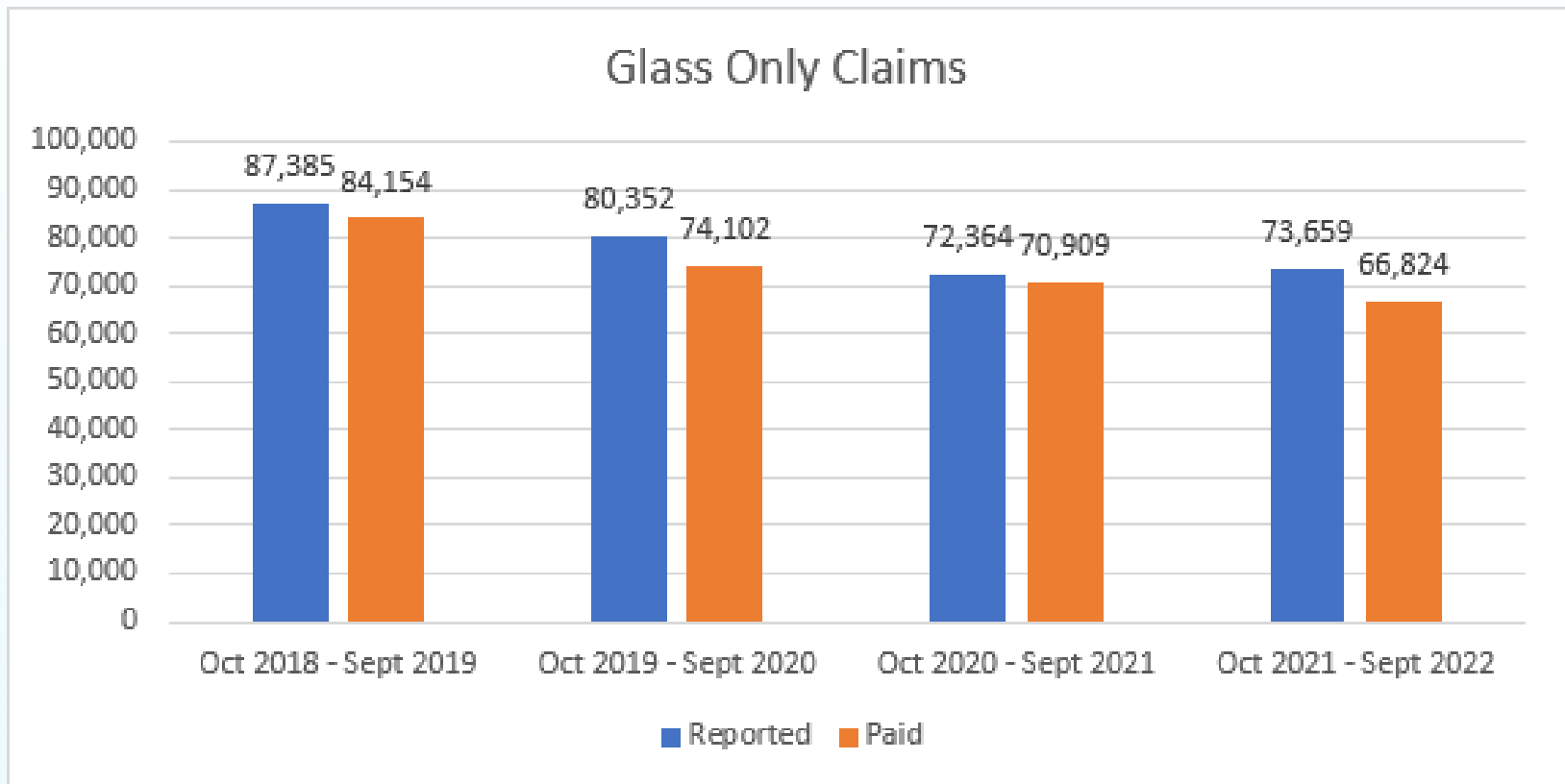
# Four Year Claim Trends – Physical Damage

- Reported claim volumes show a returning to normal reported claim counts over a 12-month period.
- Repairs volumes are currently less than pre-pandemic over the 12 months, but closer to pre-pandemic in the recent months.



# Four Year Claim Trends - Glass

- Reported claim volumes show an increase from the prior year, but less than precovid, which is mainly due to the reduction of windshield repairs.
- Repairs volumes are currently less than prepandemic over the 12 months year over year, again mainly due to reduction of windshield repairs, but closer to prepandemic in the recent months.





# Severity

| Current 12-month<br>Oct-Sept | Claim Counts              | Average Gross Repair<br>Severity |
|------------------------------|---------------------------|----------------------------------|
| Light Vehicle                | 81,439                    | \$3,994                          |
| Glass                        | 66,660 (Repair & Replace) | \$934 (Replace only)             |

| Light Vehicle Collision only Severity Oct-Sept | Current 12<br>months |
|--|----------------------|
| Claim Count as of September                    | 67,182               |
| Gross Repair Severity as of September          | \$4,263              |



# Estimating Options for Customers

| Historical               | 2019 | 2020 | 2021 |
|--------------------------|------|------|------|
| DR estimate              | 24%  | 33%  | 23%  |
| DR eligible but declined | 17%  | 9%   | 17%  |
| MPI only estimate        | 59%  | 58%  | 60%  |

## PBE vs In-person MPI Estimates



# What MPI is Working on

- Concerns heard:
  - Service centre estimating availability
  - Adjusting delays
  - Average review approval times
  - Towing response times
  - Estimating quality

## Actions in progress:

- Hiring 17 adjusters
- Hired 5 estimators recently, 13 last October
- Review of internal procedures
- Supporting and training estimators
- Enhanced repair support for repair facilities



# Committee Updates



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# MPI Trade Consultation Committee Framework

MPI values its relationships with the Manitoba automotive repair industry. MPI is working to continue to provide safe, accredited repairs to Manitobans through establishing agreements with individual repair shops. MPI is also committed to continuing to engage with the repair trade and its associations to seek regular input on policies and procedures through meaningful consultation.

Adhoc committees may be formed based on issues raised to or by MPI.

| Committee                                  | General Topics <sup>1</sup>   | Frequency               |
|--|---|-------------------------|
| <b>Technical and Parts Committee</b>       | Parts Business Rules<br>Estimating Standards<br>Quality of Repair (not the KPI)   | Bi-monthly or as needed |
| <b>Program and Accreditation Committee</b> | Direct Repair<br>Performance Recognition Program<br>Shop Measures<br>Training Requirements<br>Accreditation Agreement<br>Compensation | Quarterly               |
| <b>Glass Committee</b>                     | Advanced Driver Assistance Systems (ADAS)<br>National Auto Glass Standards (NAGS)<br>Discount<br>Glass Program                        | Quarterly, or as needed |

<sup>1</sup> Some topics may result in sub-committees forming



# Program and Accreditation Consultation Committee

- Northern study involving MPI and Associations
- Reviewed requirements for ICAR Gold
- Extended LOU coverage from 30 days to 60 days
- Collected feedback on updating Shop Measures and Direct Repair
- Parts Autonomy level 2 incentive doubled from 25% to 50%
- Upcoming meeting with MPI and RRC on current training curriculum

## Compensation Increases:

- Windshield shop material
- Glass Tempered shop material
- Urethane
- PD Shop material
- NAGs discount decrease from 25% to 23%
- Refinish material
- Northern Differential allowances
- R134A
- Mechanical specialty rate



# MPI Shop Measure Changes

## Scoring Changes

1. Remove five points from AAV
2. Supplement counts for MPI and shop written estimates are treated equally
3. Repair Accuracy now based on twelve-month results
4. NPS Score now based on twelve-month results
5. Add five points to NPS
6. Realized Part Savings (RPS)
  - Using date of loss instead of repair date for claim placement.
  - Remove OE glass from RPS calculation.
  - Remove all supplemental restraint system (SRS) components from RPS calculation.
  - Update scoring scale to -12% to +8% (current scale from -10% to 10%).
  - These changes will not result in any additional expected RPS dollars being requested by MPI.

## Scorecard Visual Changes

- Replace industry score with industry ranking
- Add for information only cycle time / touch time measures to the scorecard



# Direct Repair Review

1. Feedback collected from Industry and Associations
2. Internal review underway
3. Customer feedback reviewed on DR
4. Opportunities identified to focus on expansion of insurance use types and other minor restrictions lifted for claim eligibility.
5. Implementation in the coming months





# Glass Consultation Committee



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# Glass Committee

## Mitchell Cloud Glass (MCG) system enhancements

Based on feedback raised through this committee and shop discussions, we've been able to make system enhancements to reduce admin efforts for everyone.

- Improved training material for using MCG system.
- Enhancements to MCG that have reduced admin levels for shops:
  - File uploads increased.
  - Improvements to use MCG on smart devices.
  - MCG allowing more straight through payments for shops.
  - Increase self-serve options for shops, reducing need to contact MPI.
    - ADAS Calibration
    - Hardware that isn't published in MCG
    - Moldings with NAGS part numbers that include the letter "Y"
  - Reducing MCG Glass authorization form document to one page coming.



# Glass Committee

**Feedback also included where we could improve the Glass Claims process to reduce shop efforts.**

- Pending payments reduced to a 5-day turnaround target
- More than doubled our phone and email handling capacity
- Providing industry with procedures for calling vs emailing
- Expedited SRE confirmation
- Glass Standard/Procedure updates
  - Image requirements of the ADAS component have been removed
  - Glass Claims with physical damage standard
    - Streamlined process to request a physical damage part on a glass claim such as a regulator.
    - Go with the most available opposed to cost effective.
    - Clarified how a glass shop can complete claims converted to physical damage.



# Glass Committee

**Based on questions and feedback given we have created various job aids to increase clarity and support for the glass industry.**

- Tax Job Aid for Glass Claims
  - Reducing future administrative efforts and reducing audit recoveries
- Process for Contacting Glass Audit Unit (GAU) for shops
  - To reduce delays for shops to ensure urgent matters were dealt with.
- Best Practices for Glass Claims Processing for shops
  - To support shops and their staff while handling glass only claims.



# What's Next?

1. Continue to collect feedback that can streamline process or improve systems for repair facilities.
2. Review all glass standards and ensure clarity and procedures are clear.
3. Continue to understand changes in industry that impact repairs and shop process.
4. Continue to improve the customer experience when there is glass and physical damage.
5. Investigate opportunities for collaborative research



# Technical & Parts Consultation Committee



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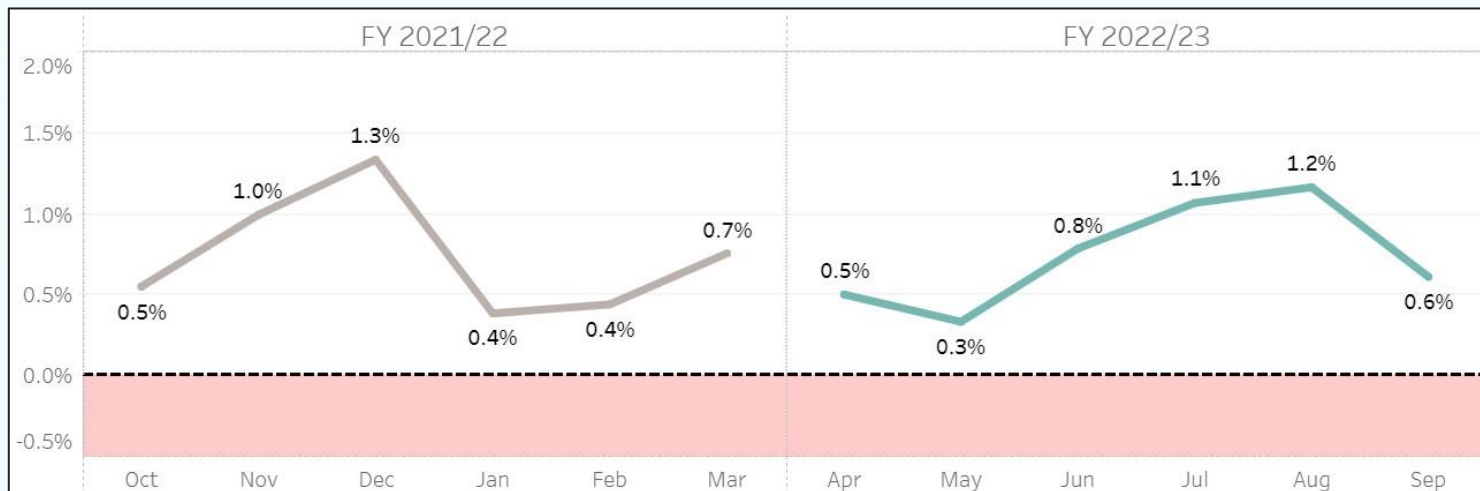
# Technical & Parts Committee

## RPS Quarterly Performance

|                      | FY 2021/22 |       | FY 2022/23 |       |
|----------------------|------------|-------|------------|-------|
|                      | Q3         | Q4    | Q1         | Q2    |
| <b>Level 2</b>       | 39         | 36    | 27         | 44    |
| <b>Level 1</b>       | 114        | 102   | 112        | 111   |
| <b>Perf. Review</b>  | 77         | 91    | 90         | 72    |
| <b>Lost PA</b>       |            | 1     | 1          | 1     |
| <b>Success Rate:</b> | 66.5%      | 60.0% | 60.0%      | 67.5% |

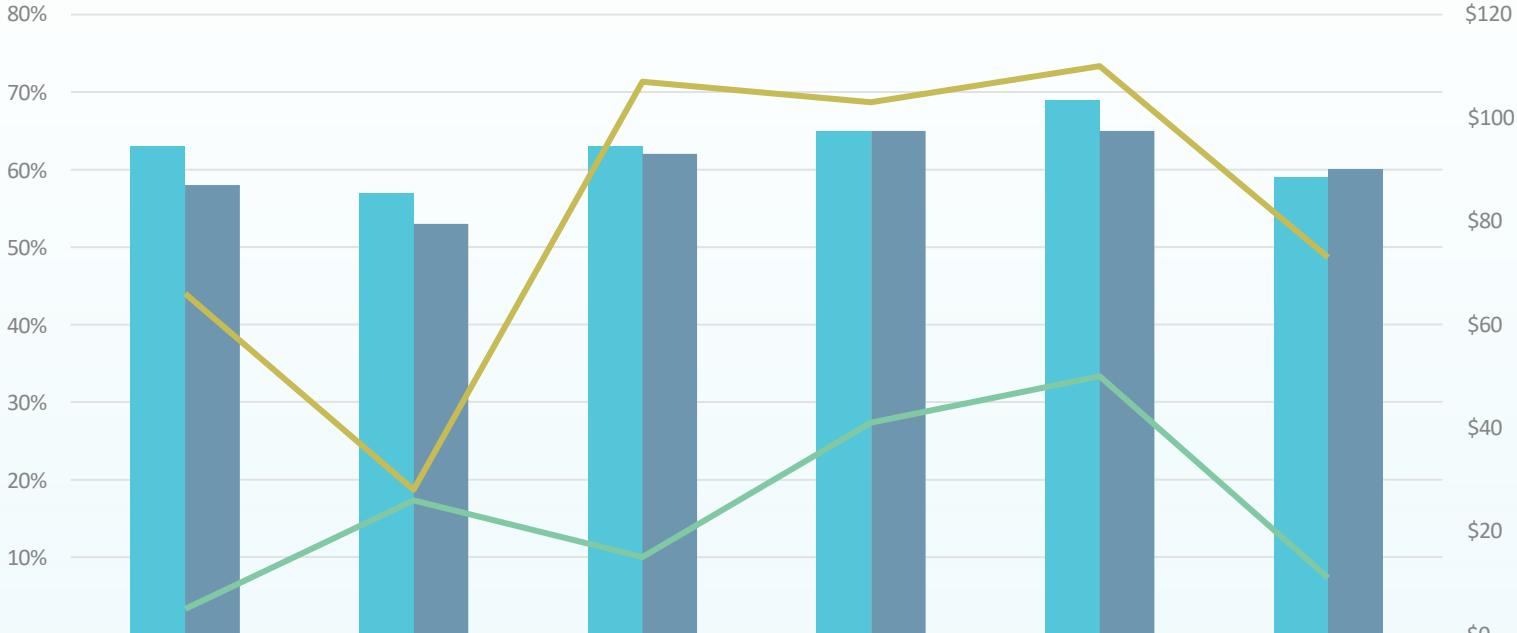
*Note: Shops with no claims are not included in counts.*

## RPS Variance by Month



# Technical & Parts Committee

## Shop Type Success and Savings



|                                 | Apr  | May  | Jun   | Jul   | Aug   | Sep  |
|---------------------------------|------|------|-------|-------|-------|------|
| Success Rate% -Dealer           | 63%  | 57%  | 63%   | 65%   | 69%   | 59%  |
| Success Rate% -Independent      | 58%  | 53%  | 62%   | 65%   | 65%   | 60%  |
| Savings (x\$1,000) -Dealer      | \$5  | \$26 | \$15  | \$41  | \$50  | \$11 |
| Savings (x\$1,000) -Independent | \$66 | \$28 | \$107 | \$103 | \$110 | \$73 |





# Technical & Parts Committee

## Parts Autonomy – Incentive Payments

| Fiscal Year      | 2021/22 |       | 2022/23 |        |
|------------------|---------|-------|---------|--------|
| Quarter          | Q3      | Q4    | Q1      | Q2**   |
| Shop Count*      | 39      | 36    | 26      | 44     |
| Incentive Payout | \$47K   | \$36K | \$44K   | \$131K |

\*Number of shops may differ slightly from number listed under “RPS Quarterly Performance” due to quarterly audit of shifting claims.

\*\* At the end of July 2022, MPI announced that Level 2 of the Parts Autonomy program would be moving from 25% to 50% incentive. Q2 represents the first quarterly results after this shift.



# Technical & Parts Committee

## General industry trends, concerns, and opportunities

- Issue resolution process
  - Review of best practices to help ensure shop success
  - Added names and email address to better direct shops
- New Adhesive Templates ES
  - Reviewed uptake of new parts options and contribution to shop RPS
- OFIs leading to ES improvements
  - 15 ES have been updated to enhance clarity, improve navigation between related documents, and remove administrative restrictions
- Mitchell RepairCenter Feedback
  - Additional channel for industry to provide feedback about bugs and OFIs for better use of Mitchell platform and related processes



# Technical & Parts Committee

## Key Achievements during first year of committee work

- Reviewed MPI's paint consumption study
  - Worked with shops to validate anomaly
- Mechanical Operations survey
  - Helped with developing new ES leading to additional compensation
- Research & Training survey

| Joint Research Opportunities         | Training Opportunities     |
|--------------------------------------|----------------------------|
| Glue pulling / Paintless Dent Repair | MPI's estimating standards |
| Shop material consumption            | OEM repair site navigation |
| Hybrid / EV repairs and safety       | ADAS calibration           |
| Plastic repair / nitrogen welding    | MPI's parts business rules |



# Technical & Parts Committee

## Initiatives for upcoming for year

- Bumper Recycling & Plastic Repair
  - Promoting more bumper repairs was by trade representatives
  - Could help with diverting material from landfills
- Mitchell On-Boarding Mechanical Shops & Water Loss Procedures
  - Explore mechanical claim handling process to reduce admin work
  - Mechanical shops may benefit from the ability to process their own claims
- Hail Estimating
  - Automatic laser/camera hail counting machines were discussed to provide more accurate estimates
- Electric Vehicle Repair Safety & Awareness
  - Joint MPI/ATA/MMDA initiative to provide training and awareness



# Questions

