



## NOTICE TO ALL REGISTERED ACCOUNT HOLDERS

### Re: Tear Down Allowances

This notice replaces our notice to the trade dated April 3, 2014. This notice addresses the processes for:

- Tear Down Requests (Confirm Pricing)
- Repairs that become Total Losses

#### **Tear Down Requests (Confirm Pricing)**

In certain circumstance, Manitoba Public Insurance will request that a shop perform a vehicle “tear down” or partial dismantling to confirm damages initially estimated, identify any additional damages, and confirm repair costs prior to beginning any repairs.

It is important to note that removal and installation (R&I) guidelines in Ultramate are not used in the estimation of required tear down labour as often parts, trim, etc are removed in assemblies and in most cases not reinstalled on the vehicle.

Tear down times are paid in the event that the vehicle becomes a Total Loss. If approval is provided by MPI to proceed with the repairs, the tear down activities would become part of the normal repair process and no additional consideration given.

- **Tear Down Requests – Two Hours or Less**
  - Where the labour time required to complete a tear down is two hours or less, the shop does not require pre-approval to proceed with the tear down.
  - Where the vehicle is determined by MPI to be a total loss, the repair shop should submit a request for payment of two or less labour hours and include an itemized listing of the parts removed.
    - Please submit this as a supplement request as you do today.
  - Disassembly must be performed to qualify for this compensation. Claims where only administrative activities are performed (such as reviewing the estimate, confirming parts prices, etc) do not qualify for this allowance.
- **Tear Down requests – More than Two Hours**

- Some tear down requirements are more complex and require additional operations such as a “pull” to gain access to damaged areas, evacuation and recovery of AC refrigerants, etc.
- In these more complex circumstances, the tear down process and labour time requirement must be approved by a Manitoba Public Insurance estimator prior to the repair shop beginning the teardown operation.
- To be compensated for a teardown requiring more than two labour hours, please itemize the parts that will be removed and the operations required so that you and the estimator are able to determine a fair allowance for this additional work should the vehicle become a total loss. Shops should document items such as what panels will be removed, what structure requires cutting to gain access to inner panels, what pulls are required and why, etc.
  - Please submit this as a supplement request as you do today

### **Repairs that Subsequently become Total Losses**

It is extremely important that a full understanding of the scope and the cost of repairs is established before repairs begin. This ensures that a vehicle is cost effective to repair and makes the most effective use of technician and estimator time.

In rare circumstances, a vehicle brought to a shop for repairs is identified as a total loss during the ordinary course of the repair. Where this occurs, the repair shop should immediately stop all repairs and contact a MPI Estimator.

- If the vehicle is confirmed as a total loss, the MPI Estimator will work with the repair shop to determine fair compensation for tear down and other work completed to date.

Should you have any questions please contact Estimating Coordinators Blair Wagner (Rural) at [204-985-8770 ext 7829](tel:204-985-8770) or Bill Crocker (Urban) at [204-985-8770 ext 7960](tel:204-985-8770).

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