

Recycled and Alternate Parts Program Business Rules – Commercial Vehicles

Manitoba Public Insurance is committed to restoring a vehicle to a condition as comparable to its pre-loss condition as possible while at the same time controlling costs.

Manitoba Public Insurance (MPI) and the Manitoba Commercial Vehicle Repair Association (MCVRA) have agreed to Parts Autonomy for medium and heavy duty commercial truck claims (gross vehicle weight of 4500 kilograms or more). The expectation is commercial repair facilities would make the most cost effective part selection. The part type selection will be the responsibility of the commercial vehicle repair facility to source and locate.

Part Type Definitions

- **OEM (NW)** – new Original Equipment Manufacturer parts
- **Recycled (LK)** – used OEM parts recycled from previously retired vehicles
- **Remanufactured (RM)** – used OEM parts rebuilt to specification of the original product
- **OE Surplus (OS)** – new OEM parts removed from new vehicles / inventory prior to delivery to a customer (sometimes called *blems* or *take-offs*)
- **Aftermarket (AM)** – new non-OEM parts of like, kind, and quality to the OEM
- **Alternate** – any part not meeting the OEM definition

1. Pricing

Unless otherwise indicated herein, MPI will pay the repair facility the suggested retail price for OEM parts and up to but no greater than a percentage of the Original Equipment Manufacturers (OEM) Suggested List Price.

- **LK** – 65% of OEM list price maximum
- **RM** – 65% of OEM list price maximum
- **OS** – 80% of OEM list price maximum
- **AM** – 75% of OEM list price maximum

For parts that do not have an OEM equivalent (e.g. aftermarket accessories), MPI will pay the repair facilities invoice cost plus 25% markup.

2. Quality

MPI is committed to placing the insured's vehicle back into the same condition it was prior to the loss therefore recycled parts, aftermarket, remanufactured and OEM surplus parts shall be of like kind and quality to the parts being replaced.

- Example: Metton hood must be replaced with a Metton hood
- Cannot substitute a steel bumper for stainless or aluminum

3. Parts Excluded

Recycled Parts Exclusions:

- Suspension Air Bags and Supplemental Restraint System (SRS) components
- ABS Modulating Valves
- Brake Linings, Drums, Discs and Master cylinder
- Tie rod, Drag links, and steering boxes and steering I-beams
- Glass
- Tires
- All bearings
- Belts and hoses
- Diesel Exhaust Fluid (DEF) tanks and components

Remanufactured Part Exclusions:

- Supplemental Restraint System (SRS) components

Aftermarket Part Exclusions

- Supplemental Restraint System (SRS) components
- Lighting not meeting CMVSS 108 standard
 - All non OEM lamp must display the SAE or DOT markings
- Fuel tank not meeting FMVSS 393 67
 - All non OEM fuel tanks must display the following:
 - Month and year of manufacture
 - Manufacturer's name
 - Meets all FMCSA requirements

Alternate fuel tanks will not be used in place of OEM unless the supplier can provide documentation that the tank being supplied is drop tested certified in accordance with DOT regulations.

4. Warranty

Alternate parts warranty must be equal to or exceed any warranty that is currently in effect by the Original Equipment Manufacturer and will be covered by the alternate parts supplier.

5. Delivery, Freight and Restocking Fees

The repair facility is responsible for coordinating part delivery time and appropriately scheduling of repairs.

- Cost of delivery will be included in the cost of the part
- Rush airfreight or expedited service is the responsibility of the repair facility. MPI will not consider reimbursement unless the circumstances are deemed exceptional by an Estimatics Coordinator and approval granted prior to ordering parts.

Restocking fees will only be considered where parts were shipped to the repair facility but returned due to circumstances beyond the control of the repair facility.

Example: A vehicle becomes a total loss after MPI authorization for repairs.

Itemized invoice and prior approval documentation must be provided for restocking fees to be considered. In cases where the part cannot be returned, these will be handled on an exception basis.

Restocking fees are as follows:

- 20% of the part sell price to the repair facility located 10 miles outside of Winnipeg city limits.
- 10% of the part sell price to the repair facility located within Winnipeg or 10 miles of Winnipeg city limits.

6. Required Invoices

Repair facilities are required to submit invoices for alternate parts.

- Invoices for alternate parts must include the following:
 - Claim number
 - Name of supplier
 - Date of invoice
 - Part description
 - Part number (if available)
 - Manufacturer's Suggested Retail Price (list price)
 - Part cost billed to MPI