

SCHEDULE 9.1 – DIRECT REPAIR PROGRAM

Background:

- A. Manitoba Public Insurance is offering a DR Program to improve customer service and expand the working relationship with its partners in the motor vehicle repair industry in Manitoba. The DR Program is voluntary and available to all Accredited Shops that meet the DR Criteria, that apply to the DR Program, and are accepted into the DR Program by Manitoba Public Insurance.

1 Definitions

This schedule is in addition to, and subject to the terms of the Accreditation Agreement, and incorporates defined terms used in the Accreditation Agreement.

- 1.1 **“Accurate Estimate” and “Accurate Supplement”** mean the Estimate or Supplement as submitted by you is complete and compliant with Manitoba Public Insurance’s Estimating Standards and guidelines as per Manitoba Public Insurance’s Policies & Procedures.
- 1.2 **“Current ACV Threshold”** means the latest value, as published on the MPI Partners Website, over which the Total Loss Indicator value shall not exceed before obtaining Manitoba Public Insurance’s guidance for that particular repair.
- 1.3 **“Direct Repair”** is the term used to describe DR Shops producing the First Estimate of physical damage related to a Manitoba Public Insurance physical damage claim.
- 1.4 **“DR Criteria”** is the term used to describe the performance criteria each Accredited Shop must meet or exceed to be eligible to apply for and continue to participate in the DR Program.
- 1.5 **“DR Program”** means Manitoba Public Insurance’s Direct Repair program as contemplated under this schedule and the MPI Partner’s Website.
- 1.6 **“DR Shop”** means an Accredited Shop that meets the DR Criteria, and that has applied and has been accepted into the DR Program by Manitoba Public Insurance.
- 1.7 **“Earned Approval Limit”** is a monetary limit associated with your then current Tier below which you are preapproved to do work, and are listed on the MPI Partners Website.
- 1.8 **“Exit Criteria”** means the process to be followed where a DR Shop is deemed no longer eligible to participate in the DR Program as indicated on the MPI Partners Website.
- 1.9 **“First Estimate”** means your initial preparation of an Estimate for the Light Vehicle under the physical damage claim in accordance with Manitoba Public Insurance’s Estimating Standards, Policies & Procedures, guidelines, and the requirements of this schedule.
- 1.10 **“KPI” or “KPIs”** mean the key performance indicator(s) as set out on the MPI Partners Website.

- 1.11 **“MPI Authorized Contact”** is the designated individual within Manitoba Public Insurance assigned to help resolve operational and business issues related to the DR Program.
- 1.12 **“Supplement”** means an amendment, change, or update to an existing Estimate, processed and submitted using the Mitchell Products, such that the supplement number is increased.
- 1.13 **“Tiers”** means the various levels used to differentiate Accredited Shops based on their KPI scores, and are listed on the MPI Partners Website.
- 1.14 **“Total Loss”** means the total cost of the repair for the physical damage claim exceeds the net dollar value of the Light Vehicle’s actual cash value as indicated by the Total Loss Indicator.
- 1.15 **“Total Loss Indicator”** means the value in the Mitchell Products that indicates percentage of cost of repairs compared to the then current actual cash value of the Light Vehicle.

2 DR Program

2.1 The purpose of the DR Program is three-fold:

- (a) increasing customer service by allowing Customers to go directly to their preferred DR Shop for a First Estimate, and allowing them to proceed from the Estimate to repair without undue delay;
- (b) increasing repair shop productivity and efficiency by lessening delays in the repair Estimate and Supplement approval process; and,
- (c) increasing Manitoba Public Insurance’s efficiency and effectiveness by decreasing reliance on line-by-line oversight of the physical damage repair process.

2.2 To participate in the DR Program an Accredited Shop must:

- (a) meet or exceed the entry portions of the DR Criteria as described on the MPI Partners Website;
- (b) be in good standing under its Accreditation Agreement;
- (c) complete the DR Program application process as described on the MPI Partners Website; and,
- (d) be accepted by Manitoba Public Insurance into the DR Program.

2.3 Manitoba Public Insurance reserves the right to:

- (a) accept you into the DR Program;
- (b) deny you entry into the DR Program; or,
- (c) require you to agree to a transition plan prior to you entering into the DR Program.

If you are accepted into the DR Program, the following sections of this schedule will apply to you effective on the date determined by Manitoba Public Insurance in your application process.

2.4 If your participation in the DR Program is terminated in accordance with this schedule or the Accreditation Agreement, and you want to re-enter the DR Program, you will need to re-apply according to the current DR Program application process at the time of re-application, and re-qualify for all entry portions of the DR Criteria that are in place at the time of re-application.

3 Your Obligations

3.1 As a DR Shop in the DR Program, you will:

- (a) maintain your Accreditation Agreement in good standing to continue your participation in the DR Program;
- (b) continue to meet or exceed the DR Criteria;
- (c) provide a comprehensive Accurate Estimate or Accurate Supplement of the damage incurred as part of a Customer's physical damage claim as required by Manitoba Public Insurance using the proper damage recording processes and applying the appropriate Manitoba Public Insurance Estimating Standards and business practices as per this schedule, and the Policies and Procedures on the MPI Partners website. This includes an obligation to find and report all damage to the Light Vehicle in accordance with the processes as set out on the MPI Partners Website;
- (d) keep your appointment and client schedule up to date;
- (e) ensure all your Representatives involved in the DR Program and supporting processes and practices undertake any training and review all documentation, Policies & Procedures, Estimating Standards, and processes as deemed necessary by Manitoba Public Insurance for each function that those Representatives perform for you in order for you to participate in the DR Program;
- (f) comply with the parameters associated with your then current Tier;
- (g) contact your assigned MPI Authorized Contact if you have any questions related to the DR Program, and follow the Policies & Procedures for contacting Manitoba Public Insurance regarding questions related to a specific physical damage claim;
- (h) meet with your assigned MPI Authorized Contact in accordance with Section 4.5;
- (i) ensure that your Representatives who have performed an Estimate are available and will work with Manitoba Public Insurance to explain their estimate to Manitoba Public Insurance, and to attend internal Manitoba Public Insurance claim dispute resolution processes, civil, criminal, or other court or administrative proceedings in order to provide testimony related to their Estimates or services when required; and,
- (j) not turn away or refuse to take a Customer seeking a First Estimate from your shop.

3.2 There will be no additional compensation paid to you by Manitoba Public Insurance for provision of the First Estimate, other than for services provided under Subsection 3.1(i) of this schedule, which are listed on the MPI Partners Website. All other charges will be related to the repair functions as detailed on Manitoba Public Insurance's final, approved Estimate or Supplement.

3.3 The completion of the First Estimate is required to establish the following information:

- a) which areas and associated damage are part of the current physical damage claim for which the First Estimate or Supplement is being created;
 - b) which areas and associated damage are not part of the current physical damage claim or prior damage which may or may not be part of a prior physical damage claim; and,
 - c) preparation of a complete Accurate Estimate for the purposes of establishing reparability or Total Loss determination.
- 3.4 Subject to Section 3.6, if the Light Vehicle is initially assessed as being repairable (i.e. not a Total Loss) you may proceed with the repair process per the conditions of your then current Tier and Earned Approval Limit, otherwise you may only proceed via the standard Manitoba Public Insurance review and approval process for physical damage claims.
- 3.5 Prior to commencing the First Estimate, if Total Loss is your initial assessment of the physical damage claim, you shall follow the regular Policies & Procedures on the MPI Partners Website for contacting Manitoba Public Insurance for directions on the proper disposition of the Light Vehicle.
- 3.6 If the total value of the completed Estimate including all Supplements is over the Current ACV Threshold, you shall follow the Policies & Procedures on the MPI Partners Website for contacting Manitoba Public Insurance for directions on the proper disposition of the Light Vehicle and await direction before proceeding with ordering any parts or commencing repairs. You understand that you may not be reimbursed for any unauthorized repair work and costs associated with repairs for a Light Vehicle where the total repair costs are in excess of the Current ACV Threshold amount for that Light Vehicle. In this instance unauthorized work includes activity that would normally fall under your then current Earned Approval Limit.
- 3.7 The First Estimate is to be prepared per Manitoba Public Insurance's then current Estimating Standards, guidelines, and Policies & Procedures that describe how to complete an Accurate Estimate and Accurate Supplement on the MPI Partners Website.
- 3.8 If the Customer's vehicle is safely drivable or temporary repairs can be made to make it safely drivable, you must allow the Customer to continue to drive the vehicle until you can complete any outstanding repairs. Any costs to complete temporary repairs must be per an approved Estimate, or requires prior approval from Manitoba Public Insurance, and will be exempt from the Earned Approval Limit.
- 3.9 You understand that the Customer is not obligated to proceed to a repair at your DR Shop even if you provide the First Estimate to the Customer.

4 Manitoba Public Insurance's Obligations

- 4.1 If available, Manitoba Public Insurance may provide you with additional information regarding the physical damage claim, including but not limited to loss details, with a view to assisting you to make informed decisions regarding the cause and extent of damage as described by the Customer.
- 4.2 Manitoba Public Insurance shall arrange for any training including providing all materials,

Estimating Standards, Policies and Procedures, and processes Manitoba Public Insurance identifies as necessary for you to participate in the DR Program. Any changes of use to the Mitchell Products will be communicated to you as required under the Accreditation Agreement.

- 4.3 Manitoba Public Insurance shall continue to utilize the established processes for processing and authorizing payment under the Accreditation Agreement. Your continued proper use of the Mitchell Products is necessary for timely and complete payment for your completed services.
- 4.4 Manitoba Public Insurance shall provide your individual DR Shop KPI results within the service standard time as indicated on the MPI Partners Website.
- 4.5 You shall be assigned an MPI Authorized Contact who will contact you on a regular basis per an agreed to schedule to review your KPI results and any other indicators describing your performance, the impact of the DR Program on your DR Shop, and to handle any questions you have regarding the DR Program.
- 4.6 Notwithstanding anything else in this schedule, Manitoba Public Insurance reserves the right to perform any First Estimates or Estimates in its sole discretion.

5 Tiers, Earned Approval Limits and Privileges

- 5.1 Upon joining the DR Program, you will be assigned to a Tier with an associated Earned Approval Limit. Manitoba Public Insurance reserves the right to make changes to the Tiers, Earned Approval Limits, and other privileges associated therewith in accordance with the Industry Agreement, and you may not use the Accreditation Agreement's dispute resolution provisions to appeal any issues related to them. You will be notified of updated versions in accordance with Article 9.
- 5.2 In accordance with the requirements in this schedule and the Accreditation Agreement, and up to your Earned Approval Limit, you have authority without additional approvals from Manitoba Public Insurance to:
 - (a) provide Manitoba Public Insurance with a First Estimate;
 - (b) order required parts;
 - (c) make changes to the First Estimate as per a normal Supplement;
 - (d) begin and complete the repair; and,
 - (e) submit request for payment.
- 5.3 Manitoba Public Insurance shall use the Mitchell Products, or other means, to automatically approve Estimates and Supplements based on the total value of the Estimate up to and including your current Earned Approval Limit. Manitoba Public Insurance's approval will be within the service standard time, as indicated on the MPI Partners Website, provided that the Mitchell Products are operational and functioning normally.
- 5.4 The Earned Approval Limit applies to the entire physical damage claim; if the latest Supplement increases the total value of the repair such that it is now higher than your then current Earned Approval Limit, the entirety of the Estimate including the changes from the latest submitted Supplement will be subject to Manitoba Public Insurance

review.

- 5.5 Any Estimate and Supplement that exceeds your current Earned Approval Limit will be reviewed by Manitoba Public Insurance and a response provided within the service standard time as indicated on the MPI Partners Website.

6 Performance Management and KPIs

- 6.1 Manitoba Public Insurance reserves the sole right to make changes to the KPIs, their weighting and calculation in accordance with the Industry Agreement and you may not use the Accreditation Agreement's dispute resolution provisions to appeal any issues related to them. You will be notified of updates to the KPIs in accordance with Article 9.
- 6.2 Manitoba Public Insurance shall regularly monitor and review your KPIs with you, and you may be reassigned to a different Tier based upon the criteria to maintain such Tier according to the processes as indicated on the MPI Partners Website.
- 6.3 You understand that the KPI results are based on the information recorded in the Mitchell Products and AutocheX, plus other Manitoba Public Insurance systems. Information not on file in the Mitchell Products or in other Manitoba Public Insurance systems at the time the reports are processed will not be included in the month's measures. Additional details on the calculation and distribution of the relevant KPIs can be found on the MPI Partners Website.
- 6.4 Your KPI results may be published to the Manitoba Public Insurance public website, or in any other place Manitoba Public Insurance decides to place the information, in rank order and by location, or in any other manner as determined by Manitoba Public Insurance.
- 6.5 In Manitoba Public Insurance's sole discretion, if there have been any events of force majeure beyond the control of either party, an event caused by Manitoba Public Insurance, or any other event that Manitoba Public Insurance determines has had a material impact on your KPIs, Manitoba Public Insurance may waive or make any adjustments to your KPIs to mitigate or reflect the impact of such event.
- 6.6 Throughout the DR Program, Manitoba Public Insurance solely determines your Tier, Earned Approval Limit, and KPIs, however if you have any disputes regarding your Tier, Earned Approval Limit, and KPIs you shall utilize Section 18.1 of the Accreditation Agreement.
- 6.7 Notwithstanding the above, Manitoba Public Insurance shall manage the Tiers and Earned Approval Limits in their own right as a companion program. If the then current versions of the Tiers and Earned Approval Limits program differ in detail or application from the material herein, the version as set out in the companion program shall be followed.

7 Inspections and Reviews

- 7.1 Any Estimate or Supplement you have prepared for the DR Program may be randomly selected by Manitoba Public Insurance for review at any point in the repair process, including but not limited to in-progress or completed repairs, as part of Manitoba Public

Insurance's ongoing quality assurance process.

- 7.2 An Estimate or Supplement you have prepared for the DR Program that has been approved by the Mitchell Products based on the total value of the Estimate, up to and including your current Earned Approval Limit, may be randomly selected by Manitoba Public Insurance for review as part of Manitoba Public Insurance's on-going quality assurance process. Manitoba Public Insurance shall notify you if you have not provided an Accurate Estimate.
- 7.3 Manitoba Public Insurance or its Representatives shall conduct regular reviews of a random sample of your DR Program physical damage claims approved by the Mitchell Products and paid to you.
- 7.4 Each month, Manitoba Public Insurance will conduct a review of a portion of all Estimates, the proportion being determined at Manitoba Public Insurance's sole discretion, submitted by your DR Shop to Manitoba Public Insurance where the total value of each Estimate is up to and including your current Earned Approval Limit, and where each Estimate is automatically reviewed and approved. Where the review determines any portion of an Estimate has been paid, which would otherwise not have been approved if reviewed manually, or identifies an amount has not been included by you in the Estimate for which you were entitled to be paid and would otherwise have been added to the Estimate and approved by Manitoba Public Insurance, Manitoba Public Insurance may in its sole discretion, seek reimbursement from or make payment to you, according to the process more fully described on the MPI Partners Website.
- 7.5 As part of the DR Program, parts invoices and Customer authorization signatures need to be uploaded to the Mitchell Products along with the Estimate. These documents must be retained in accordance with the Accreditation Agreement. Manitoba Public Insurance reserves the right to request copies of these documents at any time, with or without prior notification.

7. Termination

- 8.1 Manitoba Public Insurance may cancel the DR Program, or any portion thereof, at any time in its sole discretion in accordance with the Industry Agreement, and shall provide you notice of such, and the application of this schedule and your ability to perform Direct Repairs will be deemed to be terminated upon the receipt of such notice.
- 8.2 Manitoba Public Insurance may terminate or suspend the application of this schedule to your Accredited Shop for any reason by giving thirty (30) days' prior written notice to you.
- 8.3 You may withdraw from the DR Program by giving thirty (30) days prior written notice. Manitoba Public Insurance shall notify you in writing that your participation in the DR Program has been terminated.
- 8.4 In addition to its rights under Sections 8.1 and 8.2 above, and in the Accreditation Agreement, and without restricting any other remedies available, Manitoba Public Insurance may, at its sole option, immediately suspend or restrict your ability to participate in the DR Program, or any portion thereof, and/or terminate the application of this schedule if:

- (a) you make an assignment for the benefit of creditors or take any other action for the benefit of creditors, become bankrupt or insolvent, or take the benefit of or become subject to any legislation in force relating to bankruptcy and insolvency; or,
 - (b) in the opinion of Manitoba Public Insurance, you have failed to comply with or breached any other term or condition of this schedule, or your Accreditation Agreement.
- 8.5 Upon written notice of suspension or termination of the application of this schedule, you shall cease to prepare First Estimates, cease to participate in the DR Program, and you shall follow all additional directions from Manitoba Public Insurance required to cease participation in the DR Program. If termination of this schedule is made pursuant to Section 8.4, Manitoba Public Insurance may also refuse to do direct business with you in accordance with the Accreditation Agreement.
- 8.6 If your Accreditation Agreement is terminated for any reason under the Accreditation Agreement, this schedule's application also terminates as of the date of the termination of the Accreditation Agreement.
- 8.7 Termination of the application of this schedule shall not terminate the Accreditation Agreement.
- 8.8 You may use the Accreditation Agreement's dispute resolution provisions to appeal a termination of your DR Shop's participation in the DR Program, but you may not appeal a decision to terminate under Section 8.1 of this schedule.

9 Notification

- 9.1 Notwithstanding anything else in this schedule, Manitoba Public Insurance may deliver updates to any Estimating Standards, guidelines, documentation, Policies & Procedures, processes, and advertising rules related to the DR Program to you electronically to an email address of your choosing, until the MPI Partners Website is established for dissemination of such updates, or in any other manner that Manitoba Public Insurance deems appropriate.