



Program & Accreditation Consultation Committee Minutes

April 11, 2022

1:00 pm to 3:00 pm

Committee Attendance

- John Vernaus, ATA
- Norm Bruneau, ATA
- Craig Dunn, MMDA
- Lynsey Wilson, MMDA
- Geoff Sine, MMDA
- Denis Cloutier, ATA
- Marnie Kacher, MPI
- Steve Lupky, MPI
- Satvir Jatana, MPI
- Robert Ferreira, MPI

Marnie Kacher welcomed Denis Cloutier to the consultation committee and introduced Satvir Jatana, VP & Chief Customer Office, MPI; and Robert Ferreira, Manager, Physical Damage Programs, who joined today's meeting.

MPI Updates

Update provided by Steve Lupky:

Steve advised that many topics that MPI is working on will be discussed throughout the agenda topics at today's meeting. Some other items include:

- Preparing for the paint material increase and system changes
- Reviewing current cost increases in freon
 - It appears that it will continue to fluctuate in price and MPI appreciates the information shared by the ATA and MMDA.
- MPI is aware of ongoing impacts from inflation and supply chain management on repairs. MPI always welcomes any information/concerns from committee members on these items.
- MPI continues to work with Mitchell on their roadmap for any future changes
- MPI committed to holding a Town Hall with the repair facilities and are targeting the fall of 2022. The agenda needs to be developed, along with how these will occur; either virtual, in person, or a combination. MPI would like to include the ATA and MMDA in any meeting, and this also can be an opportunity for the consultation committees to provide updates.



Association Updates

MMDA update provided by Geoff Sine and Lynsey Wilson:

- MMDA is looking at recruitment issues in skilled trades. A concern is how to keep skilled trades in the industry. Shifting away from career fairs for potential recruitment in the skilled trade. Working with YES Winnipeg.
- Sales and Service Safety Association continues to work on support and training.
- In the process of putting together a Webinar in May with GAC to discuss how to prepare for electric vehicles being in the market. MPI will be included as well as other members of the committee.
- MMDA has participated in the Lead the Charge program. Phase I is complete and there are 50 successful applicants. Looking at additional connectors in phase 2.
- As a point of interest, in the country of Norway, 50% of vehicles are EVA already. This would be a good country to look at to review the challenges/technician's qualification requirements.

ATA update provided by Norm Bruneau and Denis Cloutier:

- ATA doing a lot of work with its members to find out what pain points are and determine priorities. Released a survey to their members to see how ATA can assist them and what the trade needs from them.
 - Will be focusing on training – shops are continuing to face a shortage of technicians.
 - There are plans to reinstate the ATA Trade Show in the fall of 2022. This was well received 2 ½ years ago when it was last held. Will invite MPI to attend and perhaps there is an opportunity to tie this in with the town halls MPI would like to hold.
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Action Items from previous meeting's agenda (January 17, 2022)

Northern Study

- MPI has been working to get a third-party consultant involved to help us define a scope of a study. It is anticipated a meeting of the sub-committee with the consultant can be held in a few weeks' time.

Training Requirements

- MPI advised that the I-CAR training is going well and on track for all shops to be complete by the January 2023 deadline.
- Shops can reach out to their SRA or Accredited Repair Dept (accreditedrepair@mpi.mb.ca) if concerns about their training plan or ability to complete the program.
- Going forward, MPI would like to improve the tracking of technicians in each shop with respect to training. Currently, MPI relies on voluntary information from shops to update our data and may not be aware of technicians moving to other shops, roles, or leaving the business. This will be further explored with industry and the associations in the future.

ACV's and Marginal Repairs

- MPI is working with Mitchell to address the current valuation gap in their software. As the market is still volatile and to help offset the values in Mitchell, MPI will move the marginal number to 70% of ACV. MPI will continue to monitor this and consider future adjustments as the situation evolves.
- These changes should be in place within a couple of weeks.

Contact Centre Script and Estimating Summary

- MPI's Contact Centre script is continually being revised as necessary. MPI has confirmed the script does offer the three options at the same time with an explanation for each. Confusion sometimes arises when a claim is not eligible for DR.

Repair procedures differing from OE requirements

- This was an action item for the associations to provide to MPI with information on operations that differed.
- MMDA advised that they have added a form to their website for members to complete. To date they had not received anything.
- There are concerns about selection around aftermarket parts and clarity of information in decision making.



- Commentary was provided that the MPI escalation process is lengthy and causes delays in repairs, and that a claim needs to be denied three times before it can go to an Opportunity for Improvement (OFI).
- MPI feels the escalation process is important. Estimators and estimating supervisors need to be involved in the process for better understanding on both MPI and the shops side. Not all claims require three levels of escalation - the majority of issues are resolved at the estimator and supervisor level.
- A question was raised about shop liability, around part selection and if OEM parts are to be used but are not available. Is it MPI liability or are shops liable?
- MPI noted liability is not black and white as every situation needs to be investigated. MPI advised that this is not an issue isolated to Manitoba. It would be the same for all insurance companies.
- MPI advised that further discussion on this can occur, and this can be added to the next meeting's agenda if that is the associations wish. However, before the next meeting MPI asked that the ATA and MMDA flag significant procedures/processes that are a concern and provide specific scenarios as far as matters that could affect liability.

Action Items:

- ATA and MMDA to provide examples within the next four weeks for MPI to review
- Item will be included on the next agenda for further discussion

Loss of Use and Parts Delays

- Satvir was invited to attend the consultation committee meeting to hear about the impact of parts delays on loss of use coverage limits, and any other discussion about MPI's products.
- The MMDA outlined how there are delays in receiving parts that impacts when a job can get started, or how long a car needs to wait for all the parts to arrive. Temporary fixes are done where possible, but difficult with non-drivable vehicles.
- A discussion on the temporary repair process was held. With MPI approval a shop can be paid additional labour due to a temporary repair such as a headlight installation. This is not a new process, but a reminder was recently sent out as an NTT. It would not affect RPS scores. MPI will clarify this information internally and externally, as well the associations are able to share the NTT information with their members.



- The ATA indicated that many customers are exceeding the 30 days coverage available, and shops are left to work with customers on alternatives. With tow-ins, often a customer already has had a rental for 14 days. Is there an option for MPI to allow a customer to purchase additional coverage if they are going to exceed 30 days?
- MPI will consider any delays in estimating and towing outside of standards on a case-by-case basis to consider additional time to offset this delay.
- MPI will take the feedback away and review the current first party loss of use coverage and what other coverages are in the market and other jurisdictions.
- Discussion on communication of products and customer information. It was noted that customers receive a lot of information at the time of purchasing a vehicle, and it was suggested that there may be opportunities for better communication.
- MPI appreciates the feedback on information channels to customers and will take away the suggestions put forward around opportunities to improve communication.

Action Item:

- MPI to clarify internal and external communication on the temporary repair processes and labour charges.

Parts Autonomy – RPS Savings

- Reviewed attached slide deck on PA results
- MPI's 2-year pilot is coming to an end and will transition to an ongoing program. Overall conclusion is that it is successful and on the right path. Benefits the customers, shops and MPI.
- The program will continue to evolve and will be a standing agenda item for the Technical & Parts Committee.
- Some items to be considered for revision include:
 - RPS % Expectation – Update targets & groupings
 - Vehicle Age Calculation – Date of Loss vs Model Year
 - Review incentive % for Level 2 shops
- Also, MPI has commenced a Proof of concept as of April 1st on adoption of market pricing by removing minimum part savings requirements for after market parts.
- Discussion took place on RPS scores and targets. This will be part of the Technical & Parts Consultation Committee discussion on PA.

Action Item:

- MPI to add Parts Autonomy as regular standing Action Item on the Program and Accreditation Consultation Committee Agenda.



Glass Compensation – Presentation from Technical and Parts

Robert Ferreira led a discussion on feedback received from the Glass Consultation Committee around impacts of parts pricing and inflationary costs. A copy of a slide deck presented to the Glass committee is attached.

- Concerns were raised to the glass committee about a lag in NAGS pricing compared to industry price changes.
- The impacts of inflation on items such as shop material items like gloves, as well as urethane kits.
- Committee members can provide feedback on these compensation and cost items or other areas of glass payments directly to Robert Ferreira with specific examples or pricing support, within the next three weeks.

Action Item:

- ATA and MMDA to provide glass and related material pricing information and input within three weeks.

Mechanical Rate Review

- MPI is continuing the review of mechanical rates. The recent survey had a 21% response rate. The attached slide deck was shared on the results of the survey.
- The Technical and Parts Consultation Committee has provided input on the survey questions as well as information on pricing.
- As part of MPI's review, input from both associations would be important.
- The feedback, input, and survey results will all be taken into consideration as MPI reviews the mechanical rates.
- Once MPI's review is complete, the Program and Accreditation Consultation Committee will be updated.
- MPI asked that the trade associations provide feedback within two to three weeks to Waldemar Koos.

Action Item:

- Input on Mechanical rates to be provided to MPI within three weeks.

DR Program Review

- With DR established for six years, MPI would like to complete a review of the DR program and hear feedback on what is working and what isn't working, as well as recommendations for changes.
- Robert Ferreira provided an overview of the DR program (slides attached) and some of the initial steps MPI has taken.
- This is the start of the review, and it is anticipated this will take until fall to complete.



- The MMDA requested information on what is DR eligible and a copy of the contact center script on information shared with customers when reporting.
- A question was asked if MPI has investigated customer experience with our offering of estimating options. Satvir indicated she would take that away.
- MPI will schedule a special meeting of the committee in the next four to six weeks on this topic as well as an upcoming KPI/Scorecard Review.

KPI Review

- Like the DR Review, MPI would like to review the current KPIs and scorecards over the next while. (Slide deck attached) Again, what is working and why? What is not working and why and what improvements can be made?
- This is the start of the review process.
- This topic will be included in the special meeting of the committee along with the DR program review.

Action Item:

- MPI to schedule a special committee meeting in the next four to six weeks.

Round Table

- It was asked that the minutes include a time frames or target dates for action items or follow up where possible

Action Item:

- Committee to ensure that future minutes should capture time frames and reflect carry over items/topics with target dates.

Meeting adjourned at 3:20 pm

MPI Update

Program & Accreditation Consultation Committee

April 11, 2022



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Mechanical Operation Review Survey Results

Questions

Response Rate

TOTAL 51 21.70% of all surveyed (235)

1. Have you experienced any delays resulting from the need to sublet mechanical operations?

YES 20 39.22% of responses

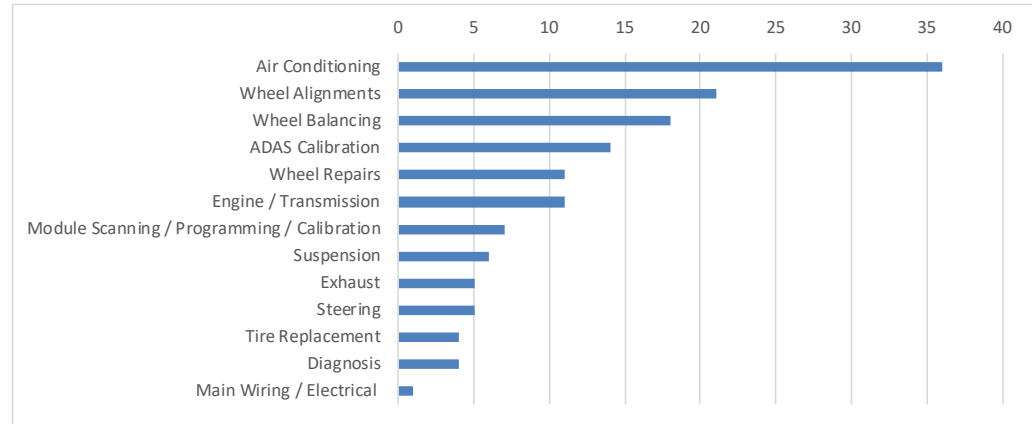
NO 31 60.78% of responses

2. Please provide claim examples for such delays.

Count 6 30.00% # of times claim info was provided when there was a delay

3. Which operations do you typically sublet to a mechanic?

Air Conditioning	36
Wheel Alignments	21
Wheel Balancing	18
ADAS Calibration	14
Wheel Repairs	11
Engine / Transmission	11
Module Scanning / Programming / Calibration	7
Suspension	6
Exhaust	5
Steering	5
Tire Replacement	4
Diagnosis	4
Main Wiring / Electrical	1



Mechanical Operation Review Survey Results

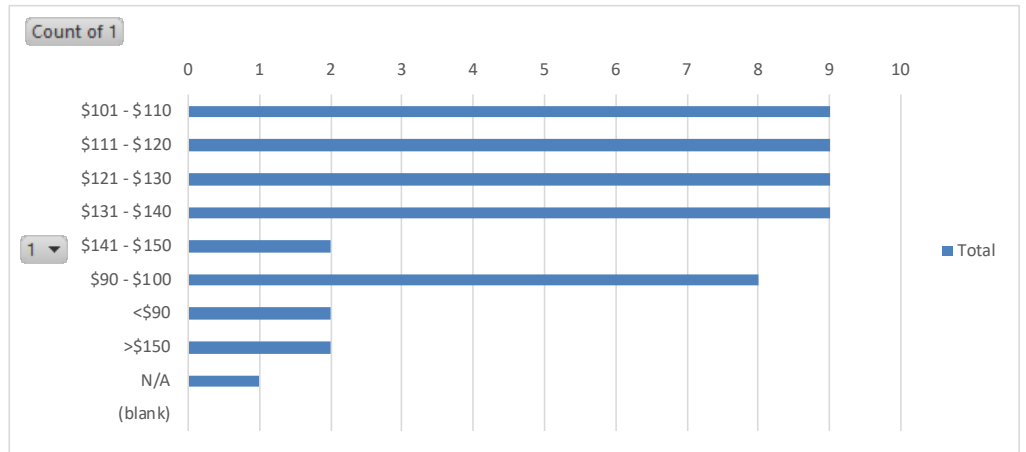
Questions

4. For mechanical operations completed in-house; who is doing the work?

Journeyman Mechanic	14	27.45% of responses
Journeyman Autobody Technician	34	66.67% of responses

5. Which rate do you typically pay for mechanical sublet work, i.e. dealership, mechanical shop, etc.?

Row Labels	Count of 1
\$101 - \$110	9
\$111 - \$120	9
\$121 - \$130	9
\$131 - \$140	9
\$141 - \$150	2
\$90 - \$100	8
<\$90	2
>\$150	2
N/A	1
(blank)	
Grand Total	51



Parts Autonomy

12 month pilot review

April 11, 2022



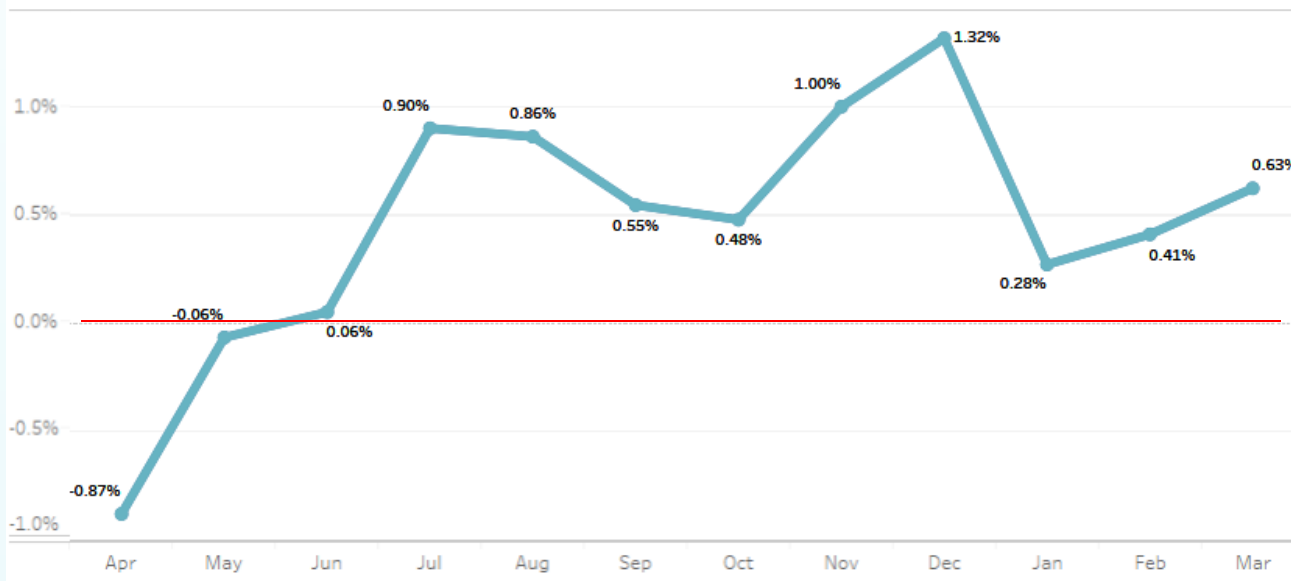
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RPS Quarterly Performance

FY	2021/22				
Tier	Q1	Q2	Q3	Q4	Total
Level 1 - 2	116	130	151	136	149
PR	114	100	79	94	84
Lost PA	N/A	N/A	N/A	1	1
Success %	50.4	56.5	65.6	58.9	63.7

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

RPS Variance by Month



Shop Type Analysis

Dealer – shop success

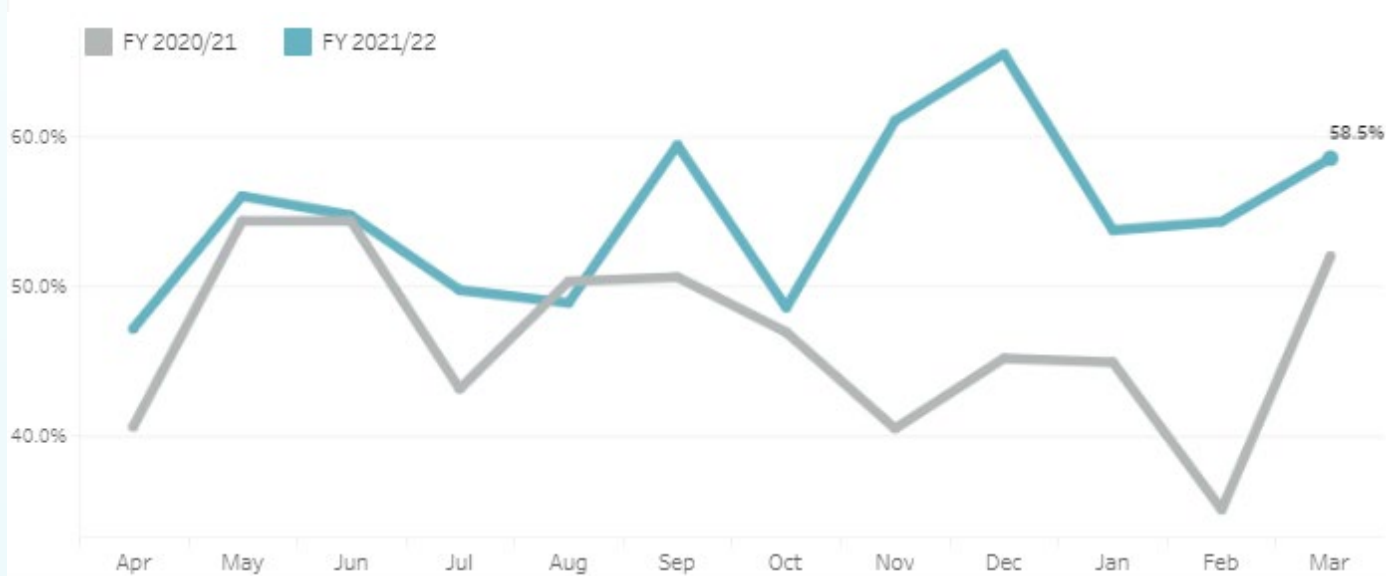
	FY 2021/22			
	Q1	Q2	Q3	Q4
Level 2	4	4	5	2
Level 1	14	32	28	29
Perf. Review	32	16	18	19
Lost PA				1
Success Rate:	36.0%	69.2%	64.7%	60.8%



Shop Type Analysis

Independent – shop success

	FY 2021/22			
	Q1	Q2	Q3	Q4
Level 2	31	34	33	32
Level 1	67	60	85	73
Perf. Review	82	84	61	74
Lost PA	N/A	N/A	N/A	N/A
Success Rate:	54.4%	52.8%	65.9%	58.7%



Next Steps

Continue to embed Parts Autonomy in Operations

- Performance Management
 - 1 shop lost PA privileges
 - 3 shops on CAP
 - 67 shops on warning list
 - 21 shops will get soft warning

Further refine program parameters

- Proof of concept started April 1st to trial full adoption of market pricing by removing minimum part savings requirements
 - Further streamlines program and simplifies the applicable parts rules
- RPS % Expectation – Update targets & groupings
- Vehicle Age Calculation – Date of Loss vs Model Year
- Review incentive % for Level 2 shops



MPI Shop Measures Review

April 11 2022



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Shop Measures Historical

2015	<ul style="list-style-type: none">• KPI pilot with 17 shops
2017	<ul style="list-style-type: none">• Shop Measures go live March 2017
2018	<ul style="list-style-type: none">• April 2018: Quality of Repair measures added• Alternate Parts Usage (APU) updated to account for repair shop work composition.
2020	<ul style="list-style-type: none">• January 2020: Negative Ask Approve Variance (AAV) claims removed,• Labour Cost Versus Total Cost (LCTC) KPI removed,• KPIs reweighted.
2021/22	<p>April 2021: Realized Parts Savings (RPS) KPI replaces APU.</p> <ul style="list-style-type: none">• RPS updated to provide credit for line discounts• Code for RPS vehicle groupings updated



Current Shop Measures

Our Repair Shop Measures Use a Balanced Approach to Ensure Competing Objectives are Addressed Fairly

We have been slowly moving our Shop Measures scorecard more towards being more balanced since 2017, but financial items are still weighted more heavily.

Composite Breakdown	Perspective	Points
Ask Approve Variance (AAV)	Financial and administrative– 60 pts	25
Shop Supplements		15
Realized Part Saving (RPS)		20
Net Promoter Score (NPS)	Customer Service – 10 pts	10
Repair Status Usage	Quality of Repair – 30 pts	7.5
Repair Records on File		7.5
Repair Accuracy		15
<u>Total</u>		<u>100</u>



2015-2021 MPI Insights

- Shops have bettered their business process to better serve customers.
- KPIs have allowed shops to adjust their process whether due to AAV, Supplements or QoR which has improved claim handling efforts due to less down time.
- NPS has improved since the start of shop measures which means an improvement to customer experience.
- Shop size matters and fluctuations happen, and we've been accounting for that.
- Some shops want to perform while some want to meet the minimum requirements.



Shop Measures Reporting

Score %	AAV Score	Supplement Score	NPS Score	RPS Score	QoR Score	Composite Score
under 40%	1	39	2	25	1	0
40-50	0	51	0	66	3	0
50-60	2	72	13	91	1	6
60-70	5	46	28	29	3	34
70-80	25	19	42	10	22	133
80-90	97	3	74	7	43	57
90-100	101	1	72	3	158	1
Grand Total	231	231	231	231	231	231

*12 month rolling average



P&A Committee DR Feedback

1. What are your thoughts on shop measures?
2. How could MPI improve shop measures?
3. What could MPI do to reward good performance?





Questions



MPI Direct Repair Review

April 11 2022



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DR Historical

2015	<ul style="list-style-type: none">• DR pilot with 17 shops• Tested out our program criteria, processes and developed training.
2017	<ul style="list-style-type: none">• DR goes operational• Shop volume restriction in place (260 claims min)• 75km catchment in place• Two levels of DR & DR Plus(more complex perils)• \$81 DR Premium paid on all claims submitted for payment• Slow shop sign-up of DR.
2018	<ul style="list-style-type: none">• Removal of criteria<ul style="list-style-type: none">• Shop volume restriction• 75km catchment• DR & DR Plus merged• 2018 was only year MPI paid a premium to DR shops.• High demand to be DR once restrictions removed.
2019-2021	<ul style="list-style-type: none">• No changes have been made to increase DR eligibility.• Except of a temporary expansion due to Covid with claims requiring MPI review.• DR remains a customer choice



DR Claim Eligibility

How MPI determines DR claim eligibility:

- **Repair complexity** is driven by the severity of the damage. Hidden damage or damage to structural and mechanical components increase the likelihood for a total loss. Requirement to identify cause of damage. **(Non-drives, related vs unrelated damage analysis)**
- **Insurance complexity** is driven by complicating factors relating to a claim such as liability and peril. Hence, potential DSR and deductible implications may encourage a customer to provide misleading information about details of the loss. **(Hit and runs, vandalism, Theft claims, comp claims)**
- **DR today = Low risk claims:** Low repair complexity and/or low insurance complexity.
- **Not DR eligible = High risk claims:** high repair complexity and/or high insurance complexity.

What is DR eligible?

- Physical Damage claims
- Drivable vehicle only
- Light truck or passenger vehicle only
- “Collision only indicator” with some exceptions as listed below
- Insurance use is All Purpose, Pleasure, Collectable, Common Carrier, Common Carrier Local, or U Drive(Courtesy not included)
- Claims that don't have more than one previous unpaid claim(More claims the more complex the estimate can be with overlaps)
- Driver must have MB driver's license
- No driver's license restrictions
- Customer not VIP SIU



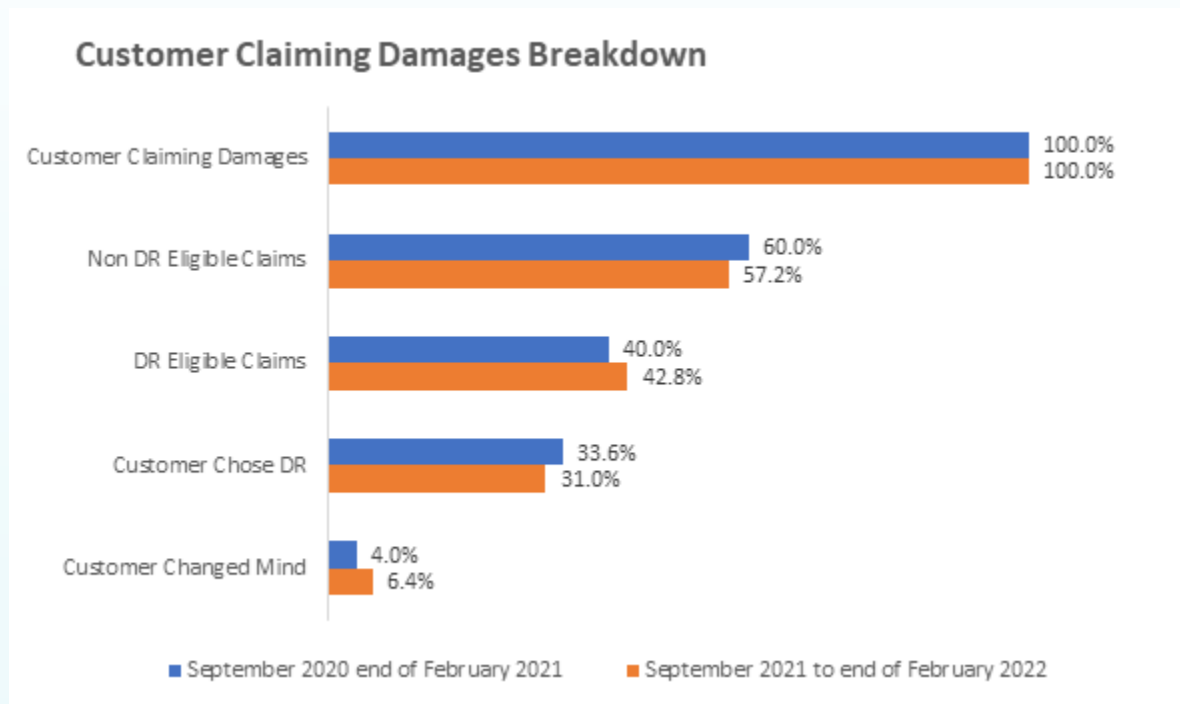
2015-2021 DR MPI Insights

- Customers like DR
- Customers don't choose DR when they don't plan on repairing or feel they have a potential TL.
- Customers who choose DR are more likely to repair their vehicle
- Shops have bettered their business process to better serve customers
- Shops believe DR has improved shop cycle time
- Shop size shouldn't matter so give all shops a chance to prove themselves
- DR is important to shops.



DR Reporting

- Our current 6-month reporting is aligned with the same months of previous year.
- There were more collision claims recently than previous, which had a positive impact on DR eligibility.
- Customer change of mind differences could be related to customers choosing contactless estimating options.



P&A Committee DR Feedback

1. What are your thoughts on the current DR program?

- What's working and why?
- What's not working and why?

2. What can be done to improve the DR program?





Questions

