



Program & Accreditation Consultation Committee Minutes

January 17, 2022

1:00 pm to 3:00 pm

Committee Attendance

- John Vernaus, ATA
- Norm Bruneau, ATA
- Craig Dunn, MMDA
- Lynsey Wilson, MMDA
- Marnie Kacher, MPI
- Steve Lupky, MPI
- Dana Frazer, MPI

Other Attendees

- Geoff Sine, MMDA-Observer

Regrets - none

Marnie Kacher chaired the committee meeting. She welcomed Norm Bruneau to the committee in replacement of Dave Dickson. Marnie also noted that Dana Frazer, Director, Physical Damage Claims and Analytics with MPI is joining today's meeting.

MPI Updates

- Steve Lupky presented an MPI update. A copy of the slide deck is attached to the minutes.
- Accredited repair facilities \$5M Liability insurance requirement needs to be met by January 31. MPI staff will be calling shops who have not updated their insurance. Currently, only 39 shops have confirmed this requirement and 155 still needing to confirm.
- Mechanical shop billing pilot for the north - pilot start date has been moved back to February due to MPI's current volume of work and Covid related impacts. Each participating shop will get an email outlining the program details and processes in advance.

Association Updates

- **MMDA update provided by Lynsey Wilson:**
 - MMDA is currently working with manufacturers on the repair certification expectation of electric vehicles (EVs). There should be more information by the end of January and there will be a presentation for MPI. This is a priority on the MMDA agenda.
 - Working towards greater presence at career fairs.
 - Considering a Collision Shop Award; looking at criteria with Dana Frazer.



- MMDA established a Lead the Charge initiative. Dealerships can apply for 50% rebate for installing EV charging systems. Goal is for EV charging stations at 300 locations in three years.
- **ATA update provided by Norm Bruneau:**
 - Norm and the executive team are getting settled in with their new roles with the ATA.
 - ATA is in the process of hiring an Executive Director.
 - The ATA is establishing several new committees and considers training at the forefront.

Action Items from previous meeting's agenda (October 21, 2021):

Northern Study

- A meeting took place between MPI/ATA/MMDA representatives as an initial discussion on what a northern study can look like, and how it could be developed. It was a good discussion.
- Proper scope and criteria are important for any study.
- The MMDA feels a review should compare the northern automotive repair trade to other northern industries, and the challenges of attracting and retaining qualified staff in relation to other northern sectors.
- MPI is always willing to consider information that the northern shops could provide but expertise to complete a study of this nature would need to come externally.
- MPI has a process that needs to be followed when engaging third party consultants and based on anticipated expense may require tendering.

Action item:

- MPI will review criteria to engage a third-party consultant and will reconvene the working group for further discussion on scope and approach

Training Requirements

- ATA/MMDA and MPI met as a working group and the following were agreed on points:
 - ICAR will remain as a minimum training requirement.
 - MPI/ATA/MMDA will work with ICAR to recognize future Red Seal Journeypersons as Platinum Steel Structural Technicians.
 - MPI will establish a transition plan for each shop to achieve Gold Class designation.
 - MPI will develop an exception process for shops with only one technician.



- Discussion on recognizing shop training and certifications on the MPI Shop Look-up Tool (for example, OE certifications, capability, etc). Question of KPI measures and other criteria.
- MMDA discussed the importance of recognizing capability for items like EV certification. Not all shops can keep up.
- The ATA noted it's important to do right by the customer. It is important independent shops aren't shut out or excluded if they are capable of repairs.
- MPI will consider criteria for an enhanced look-up tool and develop a mock-up web page for review by the committee.

Action items:

- MPI will establish a transition plan for each shop to achieve Gold Class designation.
- MPI will develop an exception process for shops with only one technician.
- MPI will develop possible criteria and a draft shop look-up tool for review by the committee.

ACVs/Total Losses

Johnny Vernaus had shared a document prior to the committee meeting identifying discrepancies between the Mitchell ACV and the true market value of that vehicle.

- There is concern that repairs are being delayed by waiting for an adjuster to complete a price out and approve the repair cost which is costing time and money as well as impacting loss of use.
- The current threshold was viewed as too low given the current market values and it was suggested this should be increased 85% of the Mitchell ACV.
- MPI is aware of some of the discrepancy of values in Mitchell and this issue is being worked on. MPI will analyze the information shared and consider the current threshold designating vehicles as marginal repairs. MPI will advise the committee of any changes.

Dana Frazer, Director Physical Damage Claims & Analytics provided an overview on the current status of vehicles in the Compound and estimating operations as well as total losses.

- MPI is going through a more difficult winter than we have seen in recent years. This is impacted by Covid restrictions, a new contract tow company, as well as a still relatively new salvage model.
- Everyone is working hard to streamline the processes and deal with any backlog.
- Regarding total losses, the numbers are lower than we have historically seen. Customers are very aware of values, and more customers are asking to have a vehicle repaired.
- The backlog of work is temporary coming out of the holiday season and the adverse roads from weather. There has been a reduction in the number of vehicles held at Champion Towing and all vehicles will be at PDC in the near future. Estimating non-driveables is also returning to more standard timeframes.



- Question about preparing for future years. MPI is working on alignment of space and operations with the intent to avoid having to store vehicles outside of PDC in future years.

Action item:

- MPI will review Mitchell ACV and our marginal threshold calculations and update the committee.

Photo-Based Estimates (PBE) / Direct Repair (DR) Opportunities

MMDA expressed concern that customer communication on estimating options continuing to be a problem.

- Customers have advised shops they are only offered PBE.
- There is also customer confusion on the need for a shop to do what the customer views as another estimate. Shops rely on estimates to order parts and these MPI PBE estimates are not complete. It was discussed previously that better communication to customers on MPI estimates and what a repair facility will do is needed.
- MPI confirmed that PBE is a customer enhancement that will continue to be offered, and that MPI continually looks at improvements to the process. Many customers selecting PBE would have been waiting for a service centre estimate appointment, which would be a longer delay. MPI has heard positive feedback from numerous shops that PBE, much like their own processes for obtaining photos, allows for work planning. PBE also allows MPI to have a conversation with the customer on deductibles, betterment or depreciation and question old damage.
- MPI contact centre staff have a script used to open all claims. Based on eligibility, the script outlines all options that a specific customer has for estimating (for example, not every claim is eligible for direct repair). If there is a miss of information identified, contact centre leadership works with their staff on training and performance. MPI will review the script and convey these concerns to contact centre management.
- MPI is working on enhancing the information shared with customers on the repair process and the MPI estimate not being a final cost of repair. A revised Estimate Summary is being developed. Changes to MPI terminology on estimating are being considered however there are many components across many different MPI areas that require coordination and capacity for change to be implemented.

Action Item:

- MPI will review the contact centre script, convey the concerns raised with the contact centre, and will update the committee on changes to the Estimate Summary sheet provided to customers.



Liability for Proper Repair

The MMDA asked about liability if MPI provides direction on a repair that is different than OEM requirements.

- There is a concern that if a repaired vehicle has an accident or someone is fatally injured, and repairs were done to MPI's industry accepted standards versus OE standards the repair facility can be sued. There are examples of this happening in the United States. Is this something the associations and MPI can work together on to come to an understanding?
 - The ATA concurred this would affect all shops, not just MMDA, and would be involved. The concerns are mostly toward structural repairs.
- MPI shared that there is no simple answer when looking at liability claims for repairs; all aspects of a repair or individual situation would need to be factored in.
- MPI is committed to working with the repair trade on safe and proper repairs for our customer vehicles.
- MPI asked if the associations can provide a list of repairs that they see as the greatest risk and that are not supported by MPI.
- The MMDA is developing a form on their website where issues can be submitted and then shared with MPI. A repair facility can provide a claim number when an OEM standard exists and where MPI is suggesting something different for MMDA to escalate.
- The ATA mentioned the issue of one-time used parts that are being required to be re-used by MPI.

Action item:

- The MMDA and ATA will provide information to MPI on a list of MPI repair procedures differing from OE requirements that are seen as most-at-risk.

Supporting Data for Policy Changes

The MMDA raised the issue of MPI providing information supporting why a change was made.

- A specific example is the latest windshield repair information that shows a crack can be repaired to 13 inches as opposed to the maximum paid by MPI of 8 inches.
- When changes are made to policy, could MPI provide the data behind the decision to explain it?
- The windshield crack repair change was made to align with legislation changes shared with the Glass Consultation Committee, but MPI will confirm the background and respond to the committee.
- MPI advised that it is situational when some matters are changed, and it may be based on circumstances other than data (for example, compliance with legislation). MPI works to be transparent and will work to provide more rationale or context for a policy change where possible.



Action item:

- MPI to confirm the background information on the recent change to glass repair length.

Round Table

- The MMDA asked MPI to consider allowing a customer to submit photos to a shop of their choice to complete a DR estimate. They noted the customer experience is important and the customer likely thinks this will be a very easy process.

Action item:

- MPI will review and provide feedback to the committee.
- The MMDA asked about adding timelines to action items.
 - MPI confirmed, going forward, the minutes will reflect a committed timeframe during the meeting and will indicate if a timeline commitment can't be reached. Also, if a committee member would like something specific recorded in the minutes, it should be raised at the time of discussion.

Next Meeting:

- Next meeting date to be scheduled for approximately three months' time. An invite will be sent in the near future with a date and time.

Meeting adjourned at 3:10 pm.

MPI Update

Program & Accreditation Consultation Committee

January 17, 2022

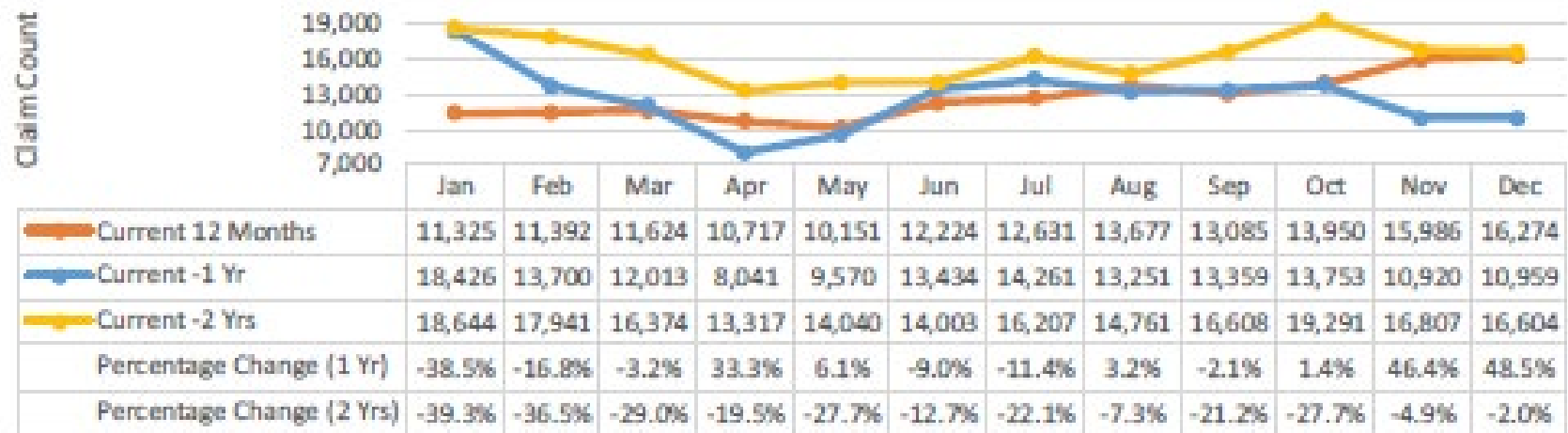


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Physical Damage Claims Reported

For the Year Ending December 31, 2021

Physical Damage Claims Reported



All perils, excludes glass-only

Current 12 Months Claim Count **153,036**

Current -1 Yr Claim Count **151,687**

Current -2 Yrs Claim Count **194,597**

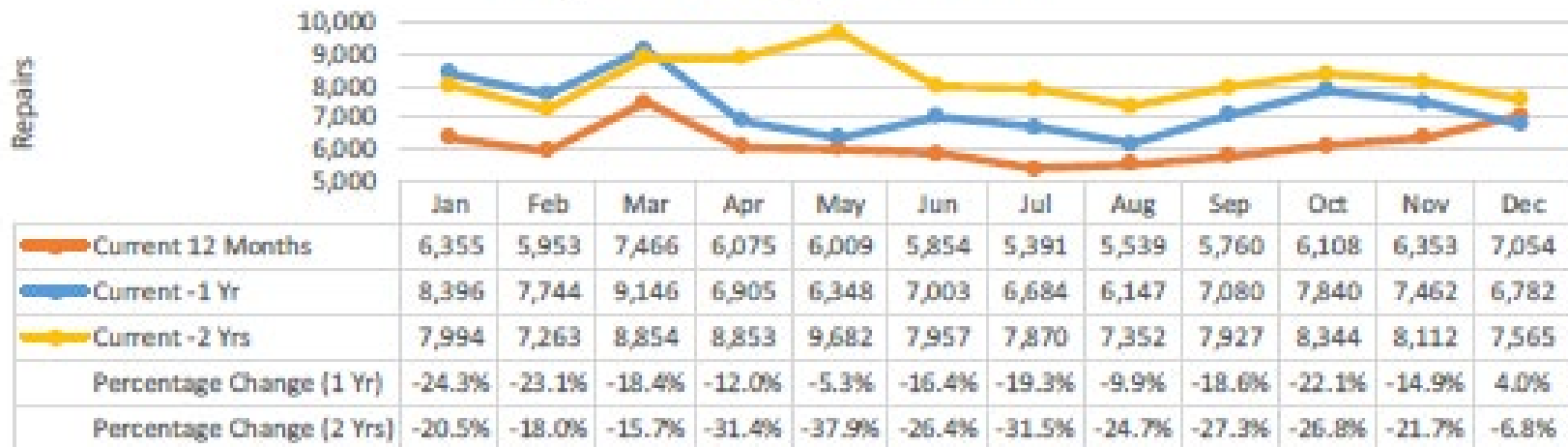
Year-Over-Year (1 Yr) Difference: 1,349
Year-Over-Year (2 Yrs) Difference: -41,561



Light Vehicle Claims Repaired

For the Year Ending December 31, 2021

Physical Damage Claims Paid



Based on Ready For Pay date

Current 12 Months Repair Count

73,917

Current -1 Yr Repair Count

87,537

Current -2 Yrs Repair Count

97,773

Year-Over-Year (1 Yr) Difference: -13,620

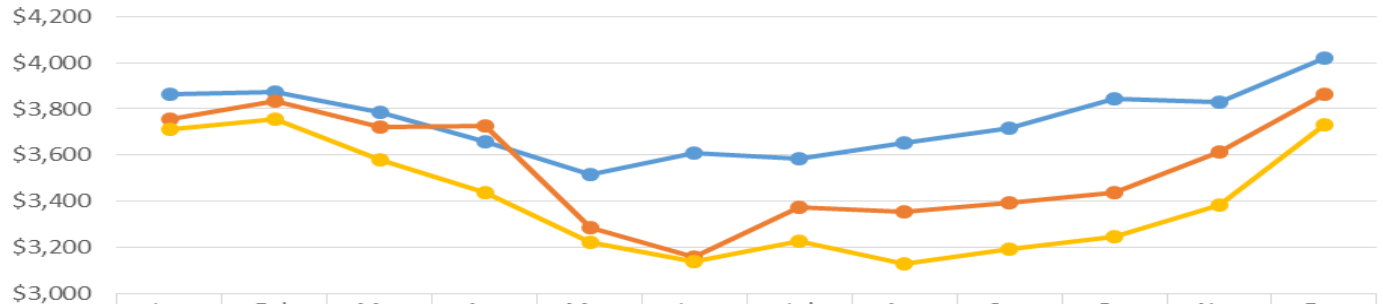
Year-Over-Year (2 Yrs) Difference: -23,856



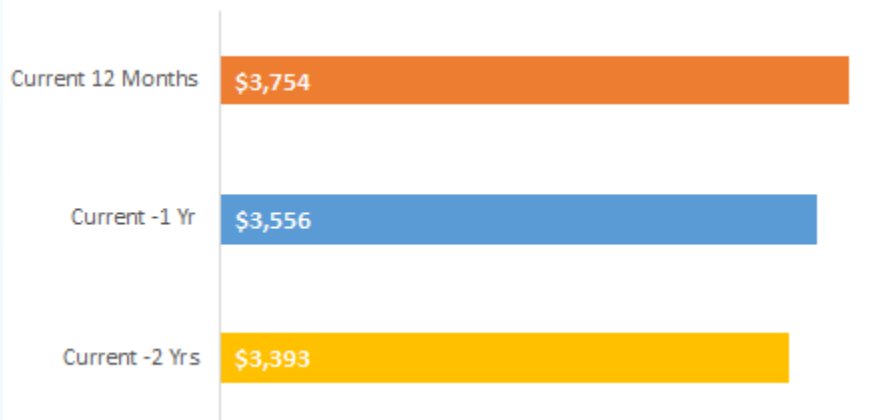
Light Vehicle Repair Cost

For the Year Ending December 31, 2021

Average Light Vehicle Repair Cost



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Current 12 Months	\$3,865	\$3,871	\$3,786	\$3,660	\$3,516	\$3,611	\$3,586	\$3,651	\$3,715	\$3,843	\$3,829	\$4,018
Current -1 Yr	\$3,754	\$3,836	\$3,721	\$3,728	\$3,286	\$3,158	\$3,375	\$3,355	\$3,396	\$3,438	\$3,613	\$3,865
Current -2 Yrs	\$3,711	\$3,754	\$3,578	\$3,440	\$3,221	\$3,138	\$3,228	\$3,129	\$3,196	\$3,249	\$3,384	\$3,733
Percentage Change (1 Yr)	3.0%	0.9%	1.8%	-1.8%	7.0%	14.4%	6.3%	8.8%	9.4%	11.8%	6.0%	4.0%
Percentage Change (2 Yrs)	4.2%	3.1%	5.8%	6.4%	9.1%	15.1%	11.1%	16.7%	16.2%	18.3%	13.2%	7.6%



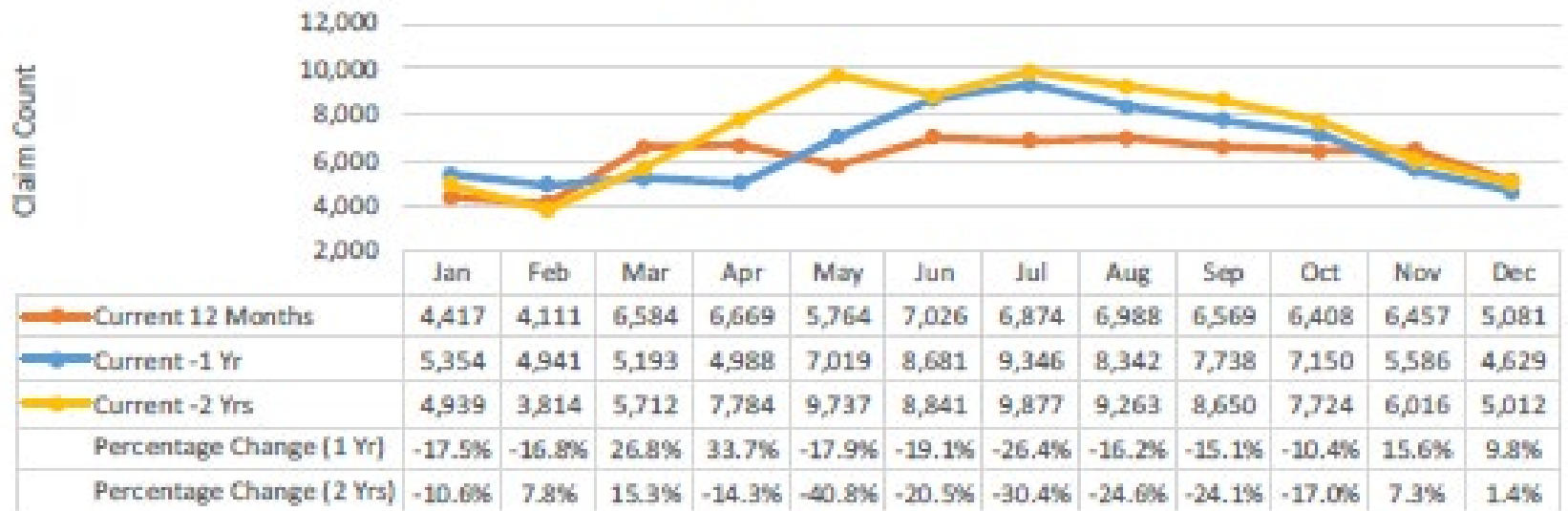
Percentage Change (1 Yr): 5.5%
Percentage Change (2 Yrs): 10.6%



Glass Claims Reported

For the Year Ending December 31, 2021

Glass Only Claims Reported



Current 12 Months Claim Count

72,948

Current -1 Yr Claim Count

78,967

Current -2 Yrs Claim Count

87,369

Year-Over-Year (1 Yr) Difference: **-6,019**

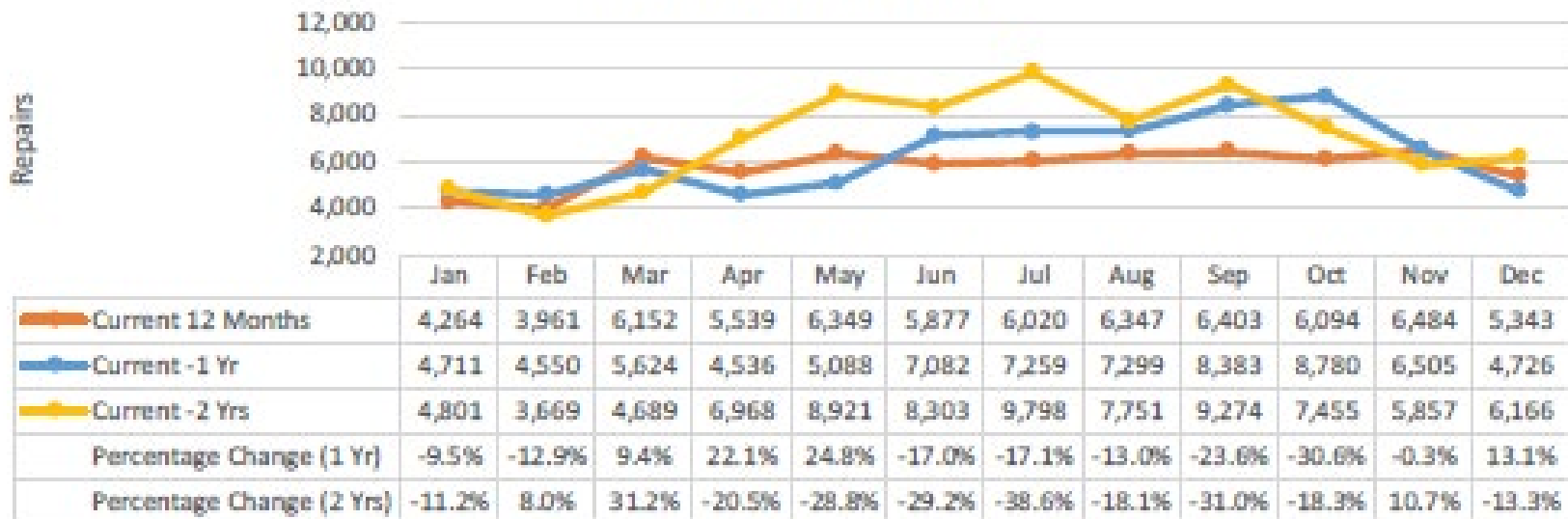
Year-Over-Year (2 Yrs) Difference: **-14,421**



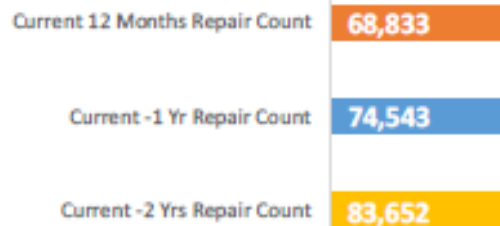
Glass Claims Paid

For the Year Ending December 31, 2021

Glass Only Claims Paid



Based on Month of Payment



Year-Over-Year (1 Yr) Difference: -5,710
Year-Over-Year (2 Yrs) Difference: -14,819



Light Vehicle Dealer Versus Independent Market Share

Independent repair facilities have the larger market share of light vehicle claim counts.

January 2021 to December 2021 Repaired Claims

Market Share by Repaired Claim Count		
Shop Type	Claim Count	% of All Repaired Claims
Dealer	31,823	43%
Independent	42,106	57%

Note: Counts will not match previous slide totals exactly due to information being pulled on different days and claim final payment dates moving due to audit and short pays



Glass Only Claim Dealer Versus Independent Market Share

Independent repair facilities have a significantly larger market share of glass only claim counts.

January 2021 to December 2021 Paid Claims

Market Share by Repaired Claim Count		
Shop Type	Claim Count	% of All Repaired Claims
Dealer	14,681	22%
Independent	53,350	78%

Note: Counts will not match previous slide totals exactly due to information being pulled on different days and claim final payment dates moving due to audit and short pays



Covid Cleaning

Over \$10 million paid to repair shops from April 1, 2020 to December 31, 2021 for Covid-19 cleaning and disinfecting allowance.

Applicable Claims	207,601
Paid Before Tax	\$10,380,050



Parts Autonomy

December 2021 – Q3 Complete

January 2022



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RPS Quarterly Performance

FY	2020/21	2021/22		
Tier	Q4	Q1	Q2	Q3
Level 1 - 2	95	116	133	151
PR	136	114	101	81
No claims	3	7	3	5
Success %	41.6%	50.4%	56.8%	65.1%

RPS Monthly Trend

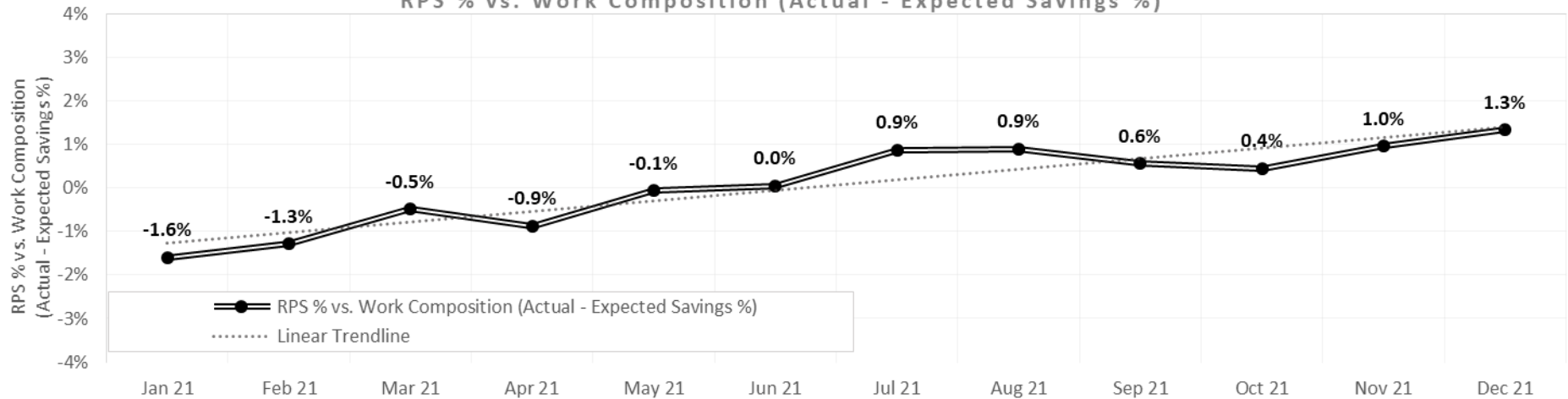
Tier	Jul	Aug	Sep	Oct	Nov	Dec
Level 1 - 2	121	121	132	109	132	145
PR	103	106	89	113	90	82
No claims	13	10	16	15	15	10
Success %	54.0%	53.3%	59.7%	49.1%	59.5%	63.9%



RPS Performance

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RPS % vs. Work Composition (Actual - Expected Savings %)

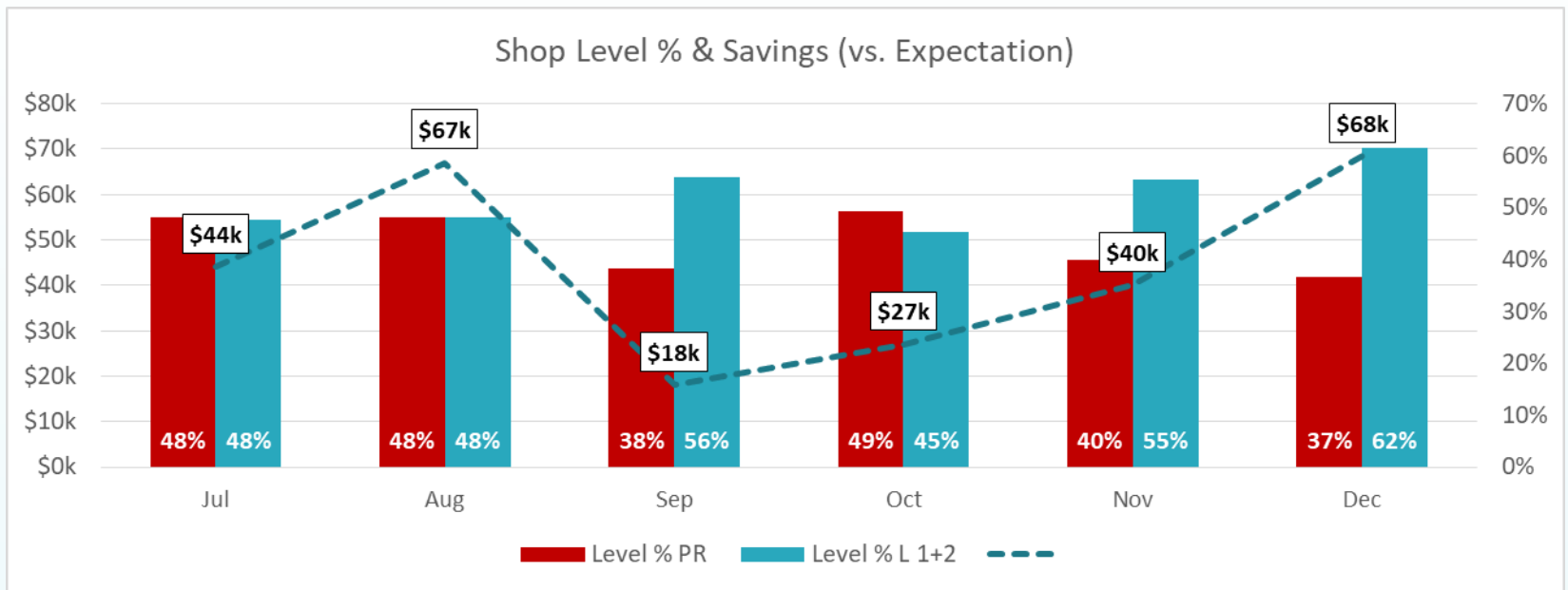


- 3 Shops on RPS Corrective Action Plans
- 86 Shops on RPS Performance Review
- IPRO usage for Nov paid claims is an area to improve in
 - 28.4% had recycled parts searched



Shop Type Analysis

Dealer — shop success



Note - % may not add up to 100% due to shops with no claims in the reporting period



Shop Type Analysis

Independent – shop success



Note - % may not add up to 100% due to shops with no claims in the reporting period



Programs and KPIs

January 2022



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Program Update

Shops continue to progress and perform well in the Direct Repair and Earned Approval Limit programs.

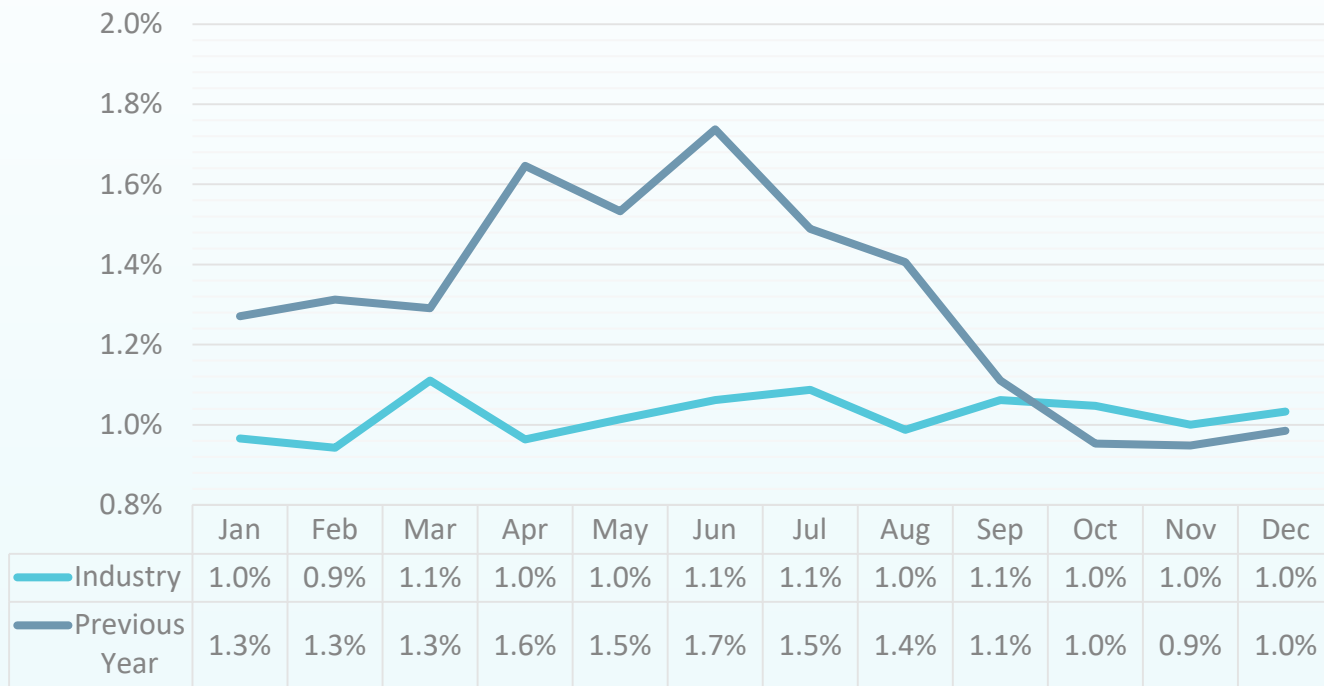
	December 2021	December 2020
DR Shops	207	205
CE Shops	24	26
Tier 1: \$0	20	38
Tier 2: \$1,750	88	109
Tier 3: \$2,750	95	62
Tier 4: \$3,750	28	22



Ask Approve Variance

We have seen a significant and sustained reduction in shops over asking since we began weekly identification of and coaching on high impact denials in mid 2020. 96% of Repair shops score well on this KPI.

Industry Performance (Lower is Better)



Shop Performance Last Quarter of 2021

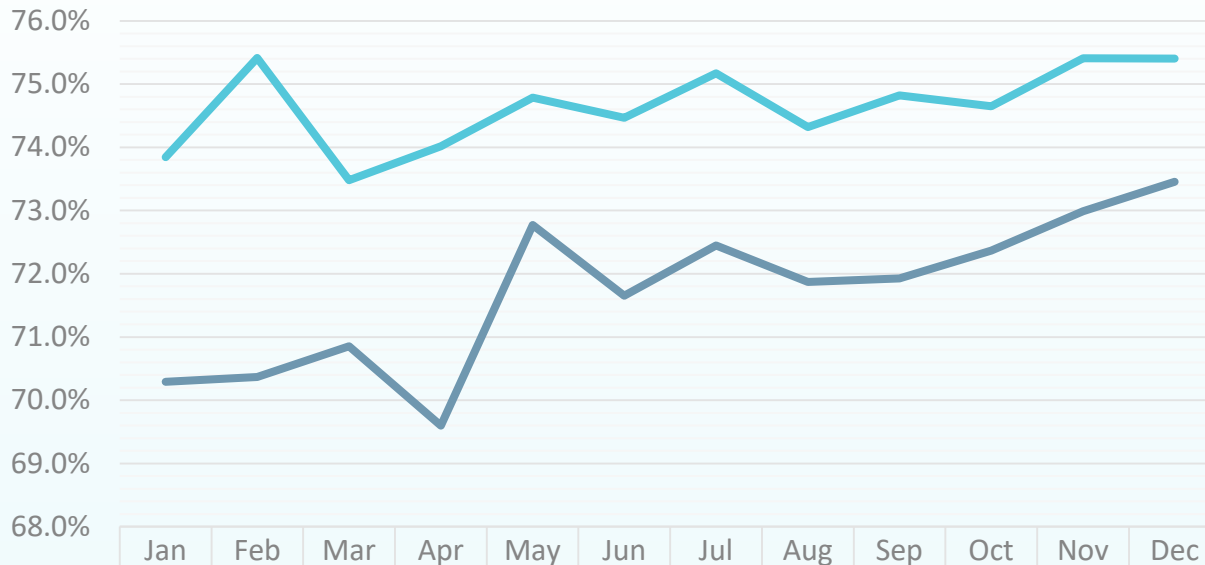
Score out of 25	Number of Shops
0-5	2
5-10	0
10-15	6
15-20	28
20-25	194



Composite KPI Score

Shops have adjusted to KPI changes made in late 2019 and again in early 2021 with the implementation of Realized Parts Savings. Additionally, an increased focus on SRA accountability and consistency has proven effective.

Industry Performance (Higher is Better)



Industry	73.8%	75.4%	73.5%	74.0%	74.8%	74.5%	75.2%	74.3%	74.8%	74.6%	75.4%	75.4%
Previous Year	70.3%	70.4%	70.9%	69.6%	72.8%	71.7%	72.4%	71.9%	71.9%	72.4%	73.0%	73.5%

Shop Performance Last Quarter of 2021	
Score out of 100	Number of Shops
40-50	1
50-60	7
60-70	33
70-80	113
80-90	70
90-100	5

Shops in the 40-50 range are very small shops without enough volume to reduce the impacts to multiple KPIs. The SRA is working with these shop on process and compliance.

