



Program & Accreditation Consultation Committee Minutes

October 21, 2021

2:00 pm to 4:00 pm

Committee Attendance

- John Vernaus, ATA
- Dave Dickson, ATA
- Craig Dunn, MMDA
- Lynsey Wilson, MMDA
- Eric Herbelin, MPI
- Marnie Kacher, MPI
- Steve Lupky, MPI

Other Attendees

- Steve Dennis, ATA

Regrets

- Geoff Sine, MMDA

Introductions

Marnie Kacher chaired the meeting. She welcomed the members of the committee and introductions were made.

Opening Remarks

Eric Herbelin opened the meeting with some welcoming comments, and shared the importance of the Program & Accreditation committee in providing a platform for the ATA and MMDA to share industry insights and input to MPI.

Terms of Reference

Steve Lupky reviewed the draft Terms of Reference circulated prior to the meeting.

There was overall consensus with the terms as outlined. One suggestion was to add a clarifying section that the committee is not making decisions, as it is consultative only.

The Terms of Reference will be posted to the Partners Site, along with the names and email addresses of the committee members for industry awareness. The minutes of each meeting will be circulated to the committee members for review and then posted on the Partners Site under Industry Consultation.

Action Item

- Add decision making section to the ToR and post to Partners Site



MPI Updates

Northern Town Hall

Steve Lupky provided an overview of a town hall meeting held in Thompson Manitoba with the northern repair facilities on September 22, 2021. Eric Herbelin and Steve attended on behalf of MPI. The meeting was an opportunity to hear directly from the northern shops on the issues and unique challenges they face. Based on the information provided and the feedback, MPI will be making the following changes:

- The 20% Northern differential will be added to:
- Windshield repair and crack allowance
- Administrative charge
- Lock coding
- Wheel Balancing
- Mobilizing vehicles
- Air conditioner/condenser repair
- Glass Tint Film

In addition, a northern utility allowance of \$60 can be added to repair claims with refinish operations. A Notice to Trade will be sent in the next while as details are finalized including the effective date.

The issue of mechanical rates, and the challenge of mechanical shops needing to use MPI's Mitchell software was also raised by the northern shops. A pilot project is being developed starting in the north, where mechanical shops can submit their work order for payment on mechanical only claims. The issue of mechanical rates and sublets will be referred to the Technical & Parts Committee.

During the northern town hall, the adequacy of the northern differential was raised as an issue. To better understand the repair cost differences and the labour force influences on the autobody repair sector, MPI proposes a third party review to be done by an independent consulting firm. MPI would work with the ATA and MMDA to determine the scope and expectations of a study. To proceed there would also need to be agreement by the northern shops of participation.

Action items

- Further discussion to explore a northern study will occur between MPI, MMDA, and ATA.

Covid Cleaning & Allowance

The Covid clean and disinfect allowance was to be provided during Manitoba's state of emergency. This allowance has paid out \$8.7 Million to Manitoba repair shops since April 2020. With the state of emergency ending on October 21, MPI reassessed the program and will discontinue paying the



allowance as of December 31, 2021. This additional two months past the ending of the state of emergency will provide shops time to transition. A Notice to the Trade will be sent in the next week or so.

Parts Autonomy

Updates were provided on the Parts Autonomy pilot, which is continuing to April 2022. There have been encouraging results in this last quarter, and a program guide was released on October 1. A comment was shared on the impact of the Federal Government commitment to zero emissions by 2035 and the impact this will have on the frequency of model changes, and availability of used parts in future years. MPI would like to work with industry and the associations to explore the impacts of changes such as this. A further comment was made on the availability of recycled parts in Manitoba, and the number of Manitoba recyclers that are part of the program. A discussion was held on the direct relationship between repair facilities and recyclers rather than MPI being involved in parts sourcing.

Photo-Based Estimating (PBE)

MPI has implemented photo based estimating as part of the estimating process. MPI is continuing to review the product, and process to make further improvements. Discussion was held on the importance of advising the customer that a repair facility may still want to do an estimate, and the photo estimate is only a preliminary inspection. MPI agrees this is important and more work will be done on improving customer communications and awareness. A question was raised on customers being offered Direct Repair (DR) when they report a claim, and the direction MPI is planning for the DR program. The contact center representatives are to review all options for qualifying claims, explaining both PBE and Direct Repair. MPI will review with the contact center to ensure this occurs. MPI remains committed to Direct Repair, and PBE is only a customer service tool that facilitates confirmation of loss details and the nature of the damage.

Training Requirements for Accreditation

MPI had sent a Notice to Trade on August 10, 2021 confirming the minimum training requirements for maintaining accreditation. MPI had committed to reviewing the I-CAR Gold requirements previously and there had been a joint MPI/MMDA/ATA working group established. MPI would like to continue this review and reactivate the working group to bring forward recommendations. There was consensus on this direction.

Action Item

- The MPI/MMDA/ATA working group will be re-established. MPI will invite the prior members to meet.



Apprenticeships

A discussion was held on the need for the industry to be able to attract and retain skilled technicians. MPI supports this, and currently provides scholarships through the Motor Vehicle Industry of Manitoba as well as offers the Tool Allowance and Apprenticeship Grant (TAAG) program. The apprenticeship issue was also raised during the northern town hall. The ATA and MMDA indicated ongoing work on this, and MPI will be contacted to explore further support options if a formal program is developed.

Direct Repair

The issue was discussed under the PBE update section.

ACV Values

ATA representatives raised a concern over ACV values on total loss vehicles being low, as well as whether the % of ACV used for determining a total loss should be increased to 80% or 85% to allow for more repairs. The concern will be passed on to the MPI Director responsible for the total loss and salvage, and specific examples of an ACV discrepancy can be provided for review by the committee members. MPI will not be increasing the threshold to 80%.

Research of OEM Procedures

The ATA raised the issue of costs associated with researching proper OEM repair procedures. They noted MPI provides Mitchell at no cost but there are considerable costs for OEM information. SGI provides an allowance for these costs on a monthly basis. MPI received this as information and will continue to work with industry to understand the various factors impacting proper repair.

Next Meeting:

- The next consultation committee meeting is scheduled for Monday January 17, 2022; location and time to be determined.

Meeting adjourned at 4:15 pm