



## Technical and Parts Consultation Committee Minutes

October 25, 2021

1:00 pm to 3:00 pm

### Committee Attendance

- Tully Gawazuk, Industry
- Ryan Kehl, Industry
- Ferd Klassen, ATA
- Steve Lupky, MPI
- Robert Ferreira, MPI
- Gord Froese, MPI
- Waldemar Koos, MPI

### Regrets

- Franca Colosimo, Industry
- Lynsey Wilson, MMDA

### Introductions

Steve Lupky, Director Physical Damage, MPI shared some welcoming comments, and opening remarks on the importance of the committee to the consultative process.

All committee members introduced themselves.

### Terms of Reference

Steve Lupky reviewed the Terms of Reference with the committee. There was overall consensus with the terms as outlined.

MPI chair the meetings as well as be responsible for collecting topics for the agenda from the committee members and sending agenda to all members at least two weeks prior to scheduled meeting. 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.

It was agreed that the Minutes will be kept at high-level to reflect key discussion points and Action Items.

### MPI Updates

Waldemar Koos provided an update on a number of items. The slide deck is attached to the minutes and will be posted to Partners.



### **Parts Autonomy**

- Information on the current level of Parts Autonomy (PA) performance was shared.
- Discussion on shops not meeting RPS levels over a period of time can result in their moving out of PA privileges.
- A discussion was held on the direct relationship between repair facilities and recyclers rather than MPI being involved in parts sourcing.
- MPI advised that 35 shops are now at Level 2 incentives with the Parts Autonomy Program.

### **Photo-Based Estimating**

- MPI clarified that the intent of photo based estimating is not to replace direct repair. MPI is continuing to review the product, and process to make further improvements.
- PBE allows claims to enter the repair stream faster.
- MPI can confirm the damage and loss details, as well as facilitating discussion with customers on items such as deductibles, depreciation or betterment.
- Communication with the customer is important, and while MPI is doing a preliminary estimate, a repair facility may still want to do an estimate. MPI is not performing the actual estimate.
- The committee agreed it would be valuable for MPI to provide a walk-through of the Mitchell guided photo capture process at the next committee meeting.

### **Estimating Standards**

- Reviewed changes since 2020 at a high level. Estimating standards have been reduced from 112 to 56 estimating standards.
- MPI advised that work is in progress to modernize the Partners site. Make it more intuitive.

### **Covid Cleaning & Sanitizing Allowance**

- The program was to run during the Province of Manitoba's state of emergency.
- 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.

### **Action Item**

- MPI to do a walk-thru of the Mitchell Photo app at next meeting.



### **Mechanical / Sublets**

- 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 shop door rates vs MPI's mechanical rate was discussed.
- This issue needs to be examined in more detail, and further information from the trade would be beneficial.
- Identifying operations that are outside of those an autobody tech can perform and must be completed by a mechanical technician would be needed.
- A discussion on how this could look was held. A review of the training a red seal autobody technician receives would be helpful.
- MPI will further review and share with the committee a draft list of identified mechanical operations that require a mechanical technician to perform.
- MPI would also like further industry input on the issue of mechanical sublets and is considering a brief industry survey on the topic.

#### *Action items*

- MPI to compile and share a list of mechanical operations for the committee review.
- MPI to draft possible survey questions for committee input.

### **Paint Consumption Study**

- MPI reviewed the study with the group.
- The study identified a possible discrepancy with Mitchell refinish times for bumpers.
- The committee was receptive to the idea of MPI working with industry in validating Mitchell refinish labour times for bumpers.
- MPI would welcome an opportunity to work collaboratively with repair facilities on research projects of this nature.
- The objective would be for MPI research technicians to collaborate with repair technicians within a repair facility on specific studies to obtain both feedback, and understand application in a production environment.

#### *Action item*

- MPI will send communication to the industry for volunteers to partner in future research initiatives.



## **Other Topics**

### *Green initiative for bumper covers*

- A suggestion was brought forward for MPI to partner with the ATA and MMDA on a joint initiative for recycling bumper covers.
- This will be put this on the next agenda for further discussion.

## **Next Meeting:**

- The next consultation committee meeting is scheduled for Thursday, January 6, 2022 from 1:00 to 3:00 pm

Meeting adjourned at 2:45 pm

# Technical & Parts

## Consultation Committee

October 25, 2021



MANITOBA  
PUBLIC INSURANCE

# Agenda

1. **Introductions**
2. Terms of Reference
3. MPI Updates
  - Parts Autonomy
  - Photo Based Estimating
  - Estimating Standards Update
4. Mechanical / Sublets
5. Paint Consumption Research Study



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# Parts Autonomy Performance Timeline

	Q1				Q2			
Tier	Apr	May	Jun	Q1	Jul	Aug	Sep	Q2
Level 1 - 2	96	115	114	115	118	123	126	130
PR	127	110	106	115	106	103	95	103
No claims	13	11	16	6	12	10	15	3
Success %	43.0%	51.1%	51.8%	50.0%	52.7%	54.4%	57.0%	55.8%

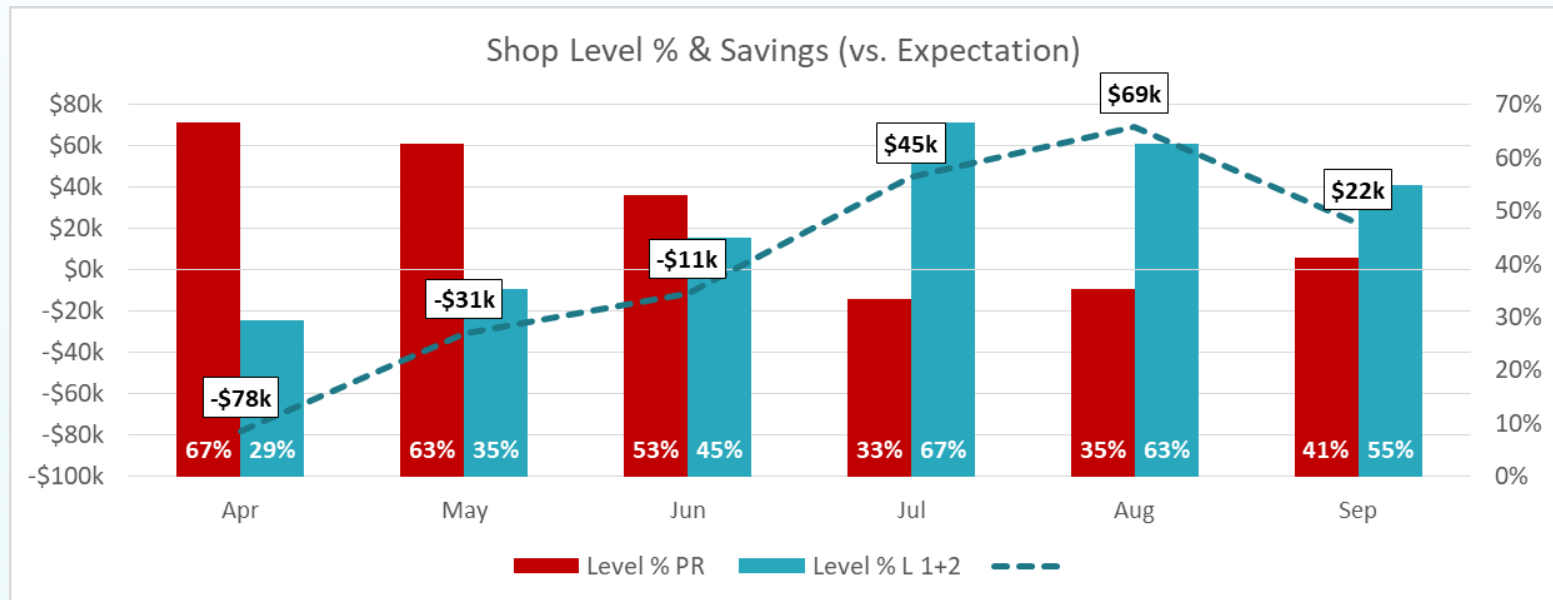




# Parts Autonomy Shop Type Analysis

Dealer – shop success & financial impact

2020/21		2021/22			
Q4		Q1		Q2	
PR	L 1+2	PR	L 1+2	PR	L 1+2
67%	33%	63%	35%	29%	71%



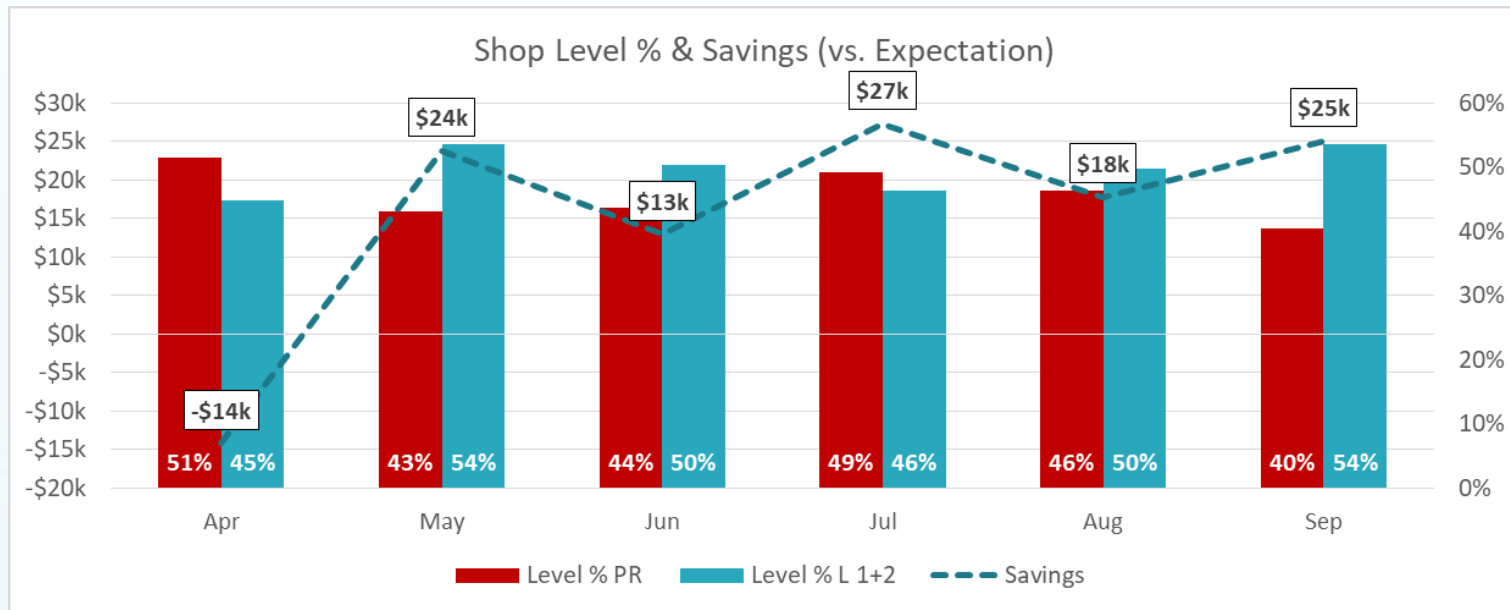
Note - % may not add up to 100% due to shops with no claims in the reporting period



# Parts Autonomy Shop Type Analysis

Independent – shop success & financial impact

2020/21		2021/22			
Q4		Q1		Q2	
PR	L 1+2	PR	L 1+2	PR	L 1+2
55%	43%	46%	54%	48%	51%



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



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# Estimating Standards Update

- 2020
  - ▶ Inventory of all estimating standards (ES) created – count 116
  - ▶ New format determined
  - ▶ All ES redundancies eliminated in first round of reviews – count reduced to 71
- 2021
  - ▶ Reformatted drafts updated for LVAA
  - ▶ All remaining ES published
  - ▶ Final count of all ES - 56
  - Remaining tasks
    - ▶ - Remove old ES from MPI Partners after 30 days



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# Paint Consumption Study

## Purpose

Determine the required amount and associated **average cost of liquid and dry goods** typically used for refinishing the most commonly repaired panels.

## Approach

- Etch, sealer, primer, base/color coat and clear coat were measured.
  - Cost [\$] = amount of paint consumed [g] x price per unit [\$ / g]
  - Paint material prices were based on MSRP
- Dry materials used in the refinish process (abrasives, tape, paper, cloth, paint mixing cup and lid) were tracked in the calculations.



# Paint Consumption Study

1	2	3	4	5	6	7	8	9
2020 RAV4 (Black)	2017 RAV4 (Silver)	2017 Chevrolet Silverado 1500 (Grey)	2020 Honda CR-V (Black)	2016 Toyota RAV4 (Red)	2016 Honda Civic (Grey)	2016 Toyota Corolla (Blue)	2016 Chevrolet Equinox (White)	2016 Dodge Grand Caravan (Red)
Company A	Company B	Company A	Company C	Company C	Company A, B, C	Company A, B, C	Company A, B, C	Company A, B, C
Front Bumper Cover	Front Bumper Cover			Front Bumper Cover	Front Bumper Cover	Front Bumper Cover	Front Bumper Cover	Rear Bumper Cover
Hood	Hood	Hood (Blend)	Left Rocker Panel (Blend)	Hood				
L & R Hood Hinge	L & R Hood Hinge	Right Fender Outside	Left Rear Door (Blend)	L & R Hood Hinge				
Right Fender Outside (Blend)	Right Fender Outside	Cab Back Panel Outside (Blend)	Left Rear Corner Pillar	Right Fender				
Left Fender Outside	Left Fender Outside	Right Cab Door Opening Frame	Left Quarter Panel Outside	Left Fender Outside				
Radiator Support	Radiator Support	Right Front Door	Left Quarter Panel Edge	Radiator Support				
Left Front Door	Right Add to Edge Fender	Right Rear Door	Liftgate Outside	Left Front Door (Blend)				
Left Rear Door (Blend)	Right Apron Assembly Complete	Right Bed Outer Side Panel	Add For Liftgate Inside	Right Add to Edge Fender				
	Right Front Sidemember		Rear Floor Pan	Left Front Sidemember				
	Right Front Door (Blend)		Rear Body Panel	Right Front Door				
			Rear Body Edge	Right Rear Door (Blend)				
			Left Rear Bumper Side Cover					
			Roof Rail (Blend)					

# Paint Consumption Study

## Conclusion

- The average cost was \$40.02/hr ranging from \$17.97/hr to \$68.58/hr
- Cost to refinish bumper covers appears to be out of line with Mitchell time

## Next Steps

- Conduct time study to determine root cause of costs exceeding allowance - front bumper covers only (trials 6-9)

