Technical and Parts Consultation Committee Minutes March 10, 2022 1:00 pm to 3:00 pm

Committee Attendance

- Tully Gawazuk, Industry
- Ryan Kehl, Industry
- Ferd Klassen, ATA
- Franca Colosimo, Industry
- Lynsey Wilson, MMDA

- Steve Lupky, MPI
- Robert Ferreira, MPI
- Gord Froese, MPI

Other Attendees:

- Denis Cloutier, ATA
- Cody Sterzer, MPI

Welcome to Denis Cloutier who is the new Executive Director for the ATA.

Welcome to Cody Sterzer, Estimatics Coordinator, MPI.

Action Items from previous meeting's agenda (January 6, 2022):

1. Mechanical Operations Review – Preliminary Survey Results

• Further to discussion at the last committee meeting about a review of mechanical operations, Waldemar advised that the survey was sent out in February. In total, 18 responses had been provided by the trade so far. A preliminary review was presented based on the initial feedback (attached). The relatively low response rate was raised as a concern by representatives from both the ATA and MMDA. Both trade associations committed to engaging their membership to promote awareness of the benefits of participating in the survey. The committee agreed that additional responses would be beneficial. As MPI is reviewing this compensation item, it will be discussed at the Program & Accreditation Consultation Committee with the ATA and MMDA representatives.

Action Item

• MMDA and ATA to encourage their members to participate in the survey.

2. Parts Autonomy (PA)

- MPI shared several slides on PA (attached). Results are encouraging, and industry
 performance has improved considerably compared to the same time period last year.
 Ongoing parts supply chain concerns were discussed. MPI's recent <u>NTT regarding
 temporary repairs</u> was brought up as a reminder that there are processes in place to help
 alleviate some issues.
- Ferd shared that some ATA members were raising concerns where an audit was changing the month that a claim was reported. This has potential impacts to the monthly RPS score. Robert mentioned that MPI is currently evaluating a change to date of loss reporting, this would address the concern. Additionally, the impacts of any changes in the reported date for a claim are taken into consideration during performance review.

3. OFI Review and Feedback

 MPI had reviewed the three OFIs that were discussed at the last meeting and provided feedback to the committee. The OFIs were related to accessories, cash settlements and shipping. Waldemar also shared that three issues were escalated since the last meeting all of which related to shipping. MPI has since taken steps to provide additional support to estimators and shops to help address shipping requests before they escalate. No concerns were raised in response to MPI's feedback. All committee members agreed that there is value in increased communication and transparency. Specific claim examples to support OFIs are invaluable towards helping the committee identify trade concerns regarding current processes. MPI has already made an improvement to the <u>Alternate Parts Suppliers</u> look-up tool based on OFI feedback.

Action Item

• MMDA and ATA to promote the OFI process through their respective websites.

4. Update on Potential Changes to Estimate Terminology and Supplement Handling

- Supplement Handling
 - Robert spoke to an ongoing review of supplement KPIs and their relation to the type of estimate including: PBE estimates, MPI estimates, and DR estimates. Steve advised that a more detailed discussion will take place with the Program & Accreditation committee regarding the DR program.
- Estimate Terminology
 - Gord spoke to updates to MPI's estimate summary sheet and how the wording will be changed to reflect "initial estimate on visual inspection". Also the repair facility copy will be referred to as the "final cost of repair". Steve advised that a more detailed discussion will take place with the Program & Accreditation committee as part of the discussion on Direct Repair (DR).

New Items to Discuss

1. Adhesive Templates ES Feedback

- Ferd inquired about the labour time that MPI allows for the new adhesive templates estimating standard and mentioned that SGI offers a different approach for "multi-lettered" nameplates.
- Waldemar explained the process followed when developing a new allowance. This includes a cross jurisdictional review to evaluate other public insurers methods. MPI also takes into account whether the part or operation is mandatory or optional, any applicable pricing/mark-up/discount models, existing allowances and possible overlaps, estimating data from third party providers, as well as industry best practices.
- Steve added that making adhesive templates available for repair shops was a parts program enhancement and MPI is open to more feedback.
- Ferd inquired to the uptake of templates. However, due to technical issues when these parts were initially made available in Mitchell Estimating, data was not available prior to this meeting.

Action Item

- MPI will present data showing the uptake of these parts at the next meeting.
- The Estimating Standard will now be finalized on MPI Partners.

2. Update on Collaborative Research Initiative

- Waldemar advised that three shops have volunteered to cooperate with MPI on validating findings from MPI's paint consumption study. Additionally, the respective paint suppliers have been invited to join.
- Steve added that progress is being made and this is a positive first step towards joint research initiatives.

3. Opportunity to work with Red River College (RRC) Corporate Solutions Team

- Waldemar advised that the RRC Corporate Solutions Team has reached out to MPI to possibly identify new training for the industry.
- Ferd advised that the ATA has also been contacted by RRC to discuss future training initiatives.
- Lynsey advised that the MMDA has been working with RRC for the Electric Vehicle (EV) program and there is a potential for this to run in Brandon as well. The MMDA has also looked at JD power data collection for the OEM's, this will give an idea on how the EV market is growing.
- Lynsey also suggested EV training would be beneficial, as well as training for other emerging technologies.

4. Photo Based Estimating (PBE)

- Lynsey spoke to a concern regarding delays with PBE. She proposed rolling back PBE in favor of an expanded DR program.
- Steve confirmed this topic will be discussed by the Programs & Accreditation Consultation Committee.

5. Mitchell

- Ferd raised the issue of loss description being cut-off in the Mitchell dispatch details.
- Waldemar advised that this is a known issue that is currently being investigated by Mitchell.

6. Accessories

- Ferd spoke about challenges with validating the lowest cost for accessories. He mentioned that the previous update to the look-up tool was a positive development and asked if additional improvements could be made. For example, reducing the number of 'accessory suppliers' listed in the tool from 11 down to 4 or 5. This would reduce the admin time that shops spend calling looking for lowest cost accessories.
- Waldemar clarified that repairs shops are not expected to contact all suppliers listed on the look-up tool. The tool is only a resource and not a required list of shops that must be called. Many of the 11 different suppliers listed specialize in different types of accessories. MPI welcomes the trade's feedback about opportunities to improve the resources made available on MPI Partners.
- Ferd inquired about the effect that delivery time has on MPI's final decision.
- Waldemar reiterated that accessories are an opportunity for early communication between both the repair shop and MPI to help avoid denials. Adding more details to the notes on file could help reduce the administrative effort for accessories on both sides. If delivery delays are expected, they should be communicated and will be taken into consideration.

Round Table

ATA:

- Ryan raised towing as an issue causing significant delays and asked if there are any interim solutions.
 - Steve advised that MPI is aware of the issue mentioned and that steps are being taken to address this with the contract tow firm. He also advised that the MPI representatives are meeting regularly with the contract tower.
 - Gord advised that directly emailing MPI's towing services may help speed up the process.
- Franca brought forward the difficulty of getting in touch with MPI's adjusters. This is causing a delay in releasing vehicles 'on hold'.
 - Robert advised that MPI has sent info to staff to ensure there are no holds on claims when released to the repair facility. This should reduce the number of initial delays. He

also mentioned that the Partners site 'Contact Us' section will be updated to show email addresses for relevant MPI staff and provide another way of contacting MPI.

MMDA:

- Lynsey reiterated her commitment to promote the mechanical survey and expressed the need for more feedback from the trade.
 - Steve agrees the survey is an important way for providing feedback and expressed that MPI welcomes any additional feedback from the trade associations or industry on the topic of mechanical operations.
- Denis stated that the ATA will also send additional encouragement to their members to complete the email survey.

MPI:

- Robert discussed feedback that has been received regarding the escalation <u>Issues</u> <u>Resolution</u> page on Partners Site. The names and email addresses of the people in the listed positions will be added to help improve the process.
- Steve mentioned the issue of loss of use limits in relation to excessive part delays, that was discussed at the last committee meeting. This has been discussed further within MPI, as it is a product and policy related item. This topic will be added to the Program & Accreditation Committee agenda, with MPI representatives from our product development area in attendance.

Next Meeting:

• Waldemar will send out communication to find a suitable date for the next meeting.

Meeting adjourned at 2:32pm

Technical & Parts

Consultation Committee

March 10, 2022



Agenda

Actions from last Meeting

- 1. Mechanical Operation Review Survey
- 2. Parts Autonomy
- 3. OFI review & feedback
- 4. Update on potential changes to estimate terminology and supplement handling



Mechanical Operation Review – Survey

Questions

Response Rate TOTAL 18

18 7.66% of all surveyed (235)

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

- YES
 10
 55.56% of responses

 NO
 8
 44.44% of responses
- 2. Please provide claim examples for such delays.
 - Count 3 30.00% # of times claim info was provided when there was a delay

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



Mechanical Operation Review – Survey

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

Journeyperson Mechanic	4	22.22% of responses
Journeyperson Autobody Technician	14	77.78% of responses

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





Parts Autonomy

RPS Quarterly Performance



*Q4 only contains 2 months at this time. Updated monthly for progress monitoring.

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



Parts Autonomy

Shop type Analysis

Independent – shop success & financial impact

FY	2021/22			
Metric:	Q1	Q2	Q3	Q4
Success Rate	54%	53%	66%	54%



*Q4 only contains 2 months at this time. Updated monthly for progress monitoring. *Not inclusive of Incentive Payouts



Parts Autonomy

Shop type Analysis

Dealer* - shop success & financial impact

FY	2021/22			
Metric:	Q1	Q2	Q3	Q4
Success Rate	36%	69%	65%	57%



*Q4 only contains 2 months at this time. Updated monthly for progress monitoring. *Not inclusive of Incentive Payouts





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Assignment Details			×
ASSIGNMENT DETAILS			Í
CLAIM: 65584805-01			
COMPANY NAME	POLICY	DEDUCTIBLE	
MPI	12338255	\$0.00, Walved	
TYPE OF LOSS	DATE OF LOSS	DATE REPORTED	
C - Collision	1/4/22	1/4/22	
OSS DESCRIPTION			
MVC - Our driver was stopped in line at	pumps; She left room for people to back		

*On 01s shops only see a sample of the incident details up to a 80 character limit.





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