



Technical and Parts Consultation Committee Minutes

May 18, 2023

1:00 pm to 3:00 pm

Committee Attendance

- Tully Gawazuk, Industry
- Ferd Klassen, ATA
- Denis Cloutier, ATA
- Lynsey Wilson, MMDA
- Franca Colosimo, Industry
- Ryan Kehl, Industry
- Steve Lupky, MPI
- Robert Ferreira, MPI
- Gord Froese, MPI
- Amory Kuypers, MPI
- Cody Sterzer, MPI

Regrets:

- Waldemar Koos, MPI

Action Items from previous meeting's agenda (March 16, 2023):

1. ATA to provide claim examples of margin reduction due to RPS changes

- The claim review has started but no clear examples were located, the ATA will continue to look for examples. It was mentioned that this concern was discussed at the Programs and Accreditation Committee meeting, the related slides from that meeting were presented and discussed. (See slides 3 - 8 below)

Additionally, the SRAs will be discussing this concern with the shops, allowing them to review their specific data based on their own claim mix. The SRA also has a tool that can be used to compare RPS before and after the changes were made.

2. MPI to the trade regarding the plastic repair research project

- See new business item #4 below

New Business:

1. Parts Autonomy

MPI presented the recent PA data, (see slides 10 - 12 below)



There is a noticeable drop in the Q1 numbers. However, this currently includes 1 month of data. This is normal and it is expected that the numbers should improve over the rest of the quarter.

MPI shared that a Parts Autonomy trade survey would be created and shared with the committee for review.

Franca asked about LK part usage compared to price matching, MPI committed to investigate the numbers. Lynsey suggested reaching out to collision link and auto parts bridge for this data.

MPI has begun collecting preliminary ideas for how to develop a system for rebase lining RPS targets on a regular cycle. Any input or data provided from the trade would be appreciated.

The PA program was built on the premise that overall savings expectations should reflect the real opportunity in the market that MPI would leverage if we were to administer a parts program while considering the administrative efficiencies and streamlined parts sourcing processes for both MPI and the trade.

Action Item

- MPI to report back to committee on how many LK parts are being installed compared to how many are simply price matched.

Action Item

- MPI to draft a Parts Autonomy trade survey and share with the committee for feedback.

2. PDR Review

Cody provided an update on the main items discussed. Agenda and timelines are currently in development. *(See slide 14 below)*

752 claims reported (at the time of this meeting) in the recent storm, 288 in Winnipeg, 196 in MacGregor.

3. Accessories

The accessory pilot plan is currently in development. The pilot is expected to kick off in June/July.



4. Plastic Repair

The progress of the plastic repair research project was reviewed and the committee discussed the challenges and possible solutions. Based on the feedback, MPI will draft a job aid that includes guidelines and other things to consider when determining if a plastic part is repairable.

At this point in time, MPI is not considering any changes to the tooling requirements in the LVAA. Overprescribing tooling requirements would be too restrictive. Shops can choose to purchase the appropriate tools and take relevant training, or if preferred, sublets are always an option.

MPI committed to provide communication to the trade including suggestions for training courses and criteria for how the repair vs replace decisions should be made. The guidelines / job aid will be provided to the committee for input.

Action Item

- MPI to provide communication to the trade including suggestions for training courses.

Action Item

- MPI to draft plastic repair guidelines / job aid for the committee to review.

5. Estimating Standards Discussion

a) Shipping

- Brandon area shops have noted that a local OEM supplier is no longer providing a discount on OEM parts. The shops have opted to order their parts from outside of their local area from a dealer that will provide a discount. As a reminder, MPI will not pay for shipping when a local part supplier is available and does not charge shipping.

b) Betterment

- Tully asked if betterment was being applied to EV batteries and if so, how much. Gord advised that these are currently handled case by case but yes, betterment is required. For customer support, adjusters are the best point of contact. MPI will review the adjuster scripts regarding betterment.



Action Item

- MPI to report back to the committee on the progress of the review of the adjuster scripts regarding betterment.

- c) Shop Materials
 - The ATA / MMDA asked that MPI consider allowing rivets as an individual line entry. Several GM examples were provided indicating that rivet bonding is becoming the new standard for their repairs.

 - They also requested that the foams and adhesives allowances be re-evaluated. Examples have been reported of adhesive kit prices that are well beyond the MPI allowance.

Next Meeting

- Next meeting to be scheduled: Thursday, July 20 at 1:00 – 3:00pm

Meeting adjourned: 3:10pm

Technical & Parts

Consultation Committee

May 18, 2023



MANITOBA
PUBLIC INSURANCE

Agenda

Actions from last Meeting

1. Ferd and Denis to provide claim examples of margin reduction for MPI to review
 - ▶ *(see the following slides 3 - 8 from the Program & Accreditation Committee meeting minutes)*

New items to discuss

1. Parts Autonomy
2. PDR
3. Accessories
4. Plastic Repair
5. Estimating Standards Discussion



RPS Changes Implemented

Supporting data for the new RPS targets that exclude Glass and SRS

SRAs will continue to respond to industry questions regarding these changes as follows as well as sharing the following tables on these slides if needed.

Glass was removed from RPS

- No options to receive RPS credit with glass as there is the rule around cost effective for PD and challenges with ADAS, also due to system limitations that can't complete the RPS calculation when NAGs is used.

Glass, SRS and Year Calculation

- By removing these areas from the RPS data all together this would remove dollars from each OEM bucket.
 - Based on % targets showing increases the perception is that shops are expected to save more.
 - The bench marking data included NAGS and OEM glass, but we would not have captured much for savings due to the process and data limitations unless shops were discounting OEM glass or any inaccurate data entry.
 - Shops can request to see how this change has impacted them in the last three months.

RPS % by Make and Age**	2 years old and newer	3 to 5 years old	Over 5 years old
Group 1	0.20%	0.50%	0.40%
Group 2	0.50%	0.80%	0.60%
Group 3	0.80%	1.00%	0.60%
Group 4	1.10%	1.00%	0.70%
Group 5	1.40%	0.90%	0.60%
Group 6	2.70%	0.60%	0.20%



RPS Changes Implemented Year Calculation change

Changing the vehicle age calculation will impact individual RPS group expectations, however the overall expectation won't change.

After the change, more vehicles will be in the newer groups and therefore have a lower expectation.

- Older vehicle bucket expectations increase as there are fewer low savings repairs.
- Newer vehicle buckets are increasing as there are more higher savings repairs.
- Overall expected RPS as a percentage of parts dollars = 18.5% before and after DOL change.



RPS Changes Implemented

Overall Impact of Removing OE Glass

Again, MPI is not asking for any additional RPS dollars with this change.

The expected percentages increase slightly, but the expected dollars remain unchanged as overall OE parts dollars are decreasing.

- For example:
 - $\$185,000 \text{ expected savings} \div \$1,000,000 \text{ OE parts} = 18.5\%$
 - $\$185,000 \text{ expected savings} \div (\$1,000,000 \text{ OE parts} - \$5,000 \text{ OE glass}) = 18.6\%$
 - The \$185,000 in expected savings has not changed
- The overall impact of removing OE glass can be seen in the following table:

Benchmark Savings Change	2 Years Old and Newer	From 3 to 5 Years Old	Over 5 Years Old
Group 1	0.0%	0.1%	0.1%
Group 2	0.0%	0.2%	0.3%
Group 3	0.1%	0.2%	0.2%
Group 4	0.2%	0.2%	0.3%
Group 5	0.1%	0.2%	0.3%
Group 6	0.0%	0.0%	0.2%



Overall Impact of Removing SRS Components

Again, MPI is not asking for any additional RPS dollars with this change.

The expected percentages increase slightly, but the expected dollars remain unchanged as overall OE parts dollars are decreasing.

- For example:
 - $\$185,000 \text{ expected savings} \div \$1,000,000 \text{ OE parts} = 18.5\%$
 - $\$185,000 \text{ expected savings} \div (\$1,000,000 \text{ OE parts} - \$5,000 \text{ SRS}) = 18.6\%$
 - The \$185,000 in expected savings has not changed
- The overall impact of removing SRS components can be seen in the following table:

Benchmark Savings Change	2 Years Old and Newer	From 3 to 5 Years Old	Over 5 Years Old
Group 1	0.0%	0.0%	0.0%
Group 2	0.0%	0.1%	0.0%
Group 3	0.0%	0.1%	0.1%
Group 4	0.2%	0.2%	0.2%
Group 5	0.2%	0.1%	0.1%
Group 6	0.7%	0.2%	0.1%



RPS Changes Implemented

Results for the industry for February will vary by month and quarter.

February 2023 Change	Shop Count
More than -2500	24
-2500 to -2000	8
-2000 to -1500	14
-1500 to -1000	18
-1000 to -500	47
-500 to 0	47
0 to 500	62
500 to 1000	1
1000 to 1500	1
1500 to 2000	0
2000 to 2500	0
Greater than 2500	0



RPS Changes Implemented

What information could we share with the trade to clear the air?

- MPI has been sharing the last 3-month performance, parallel vs current data to show the benefit.
- SRAs have been and will continue to use data to show each shop what difference the change made even how many less dollars we expect the shop to provide in savings.
- MPI won't be running parallel data any longer, so we'll be using Jan, Feb, Mar.
- Messaging for shops who may see a bad month.
 - We understand that there may be a month where a shop may still not meet as they may have been benefiting from not seeing much SRS but this levels off the industry, as well as the performance for those shops across the year and during those times they do see SRS parts.



Agenda

Actions from last Meeting

1. Action Items

New items to discuss

1. Parts Autonomy
2. PDR
3. Accessories
4. Plastic Repair
5. Estimating Standards Discussion



Parts Autonomy

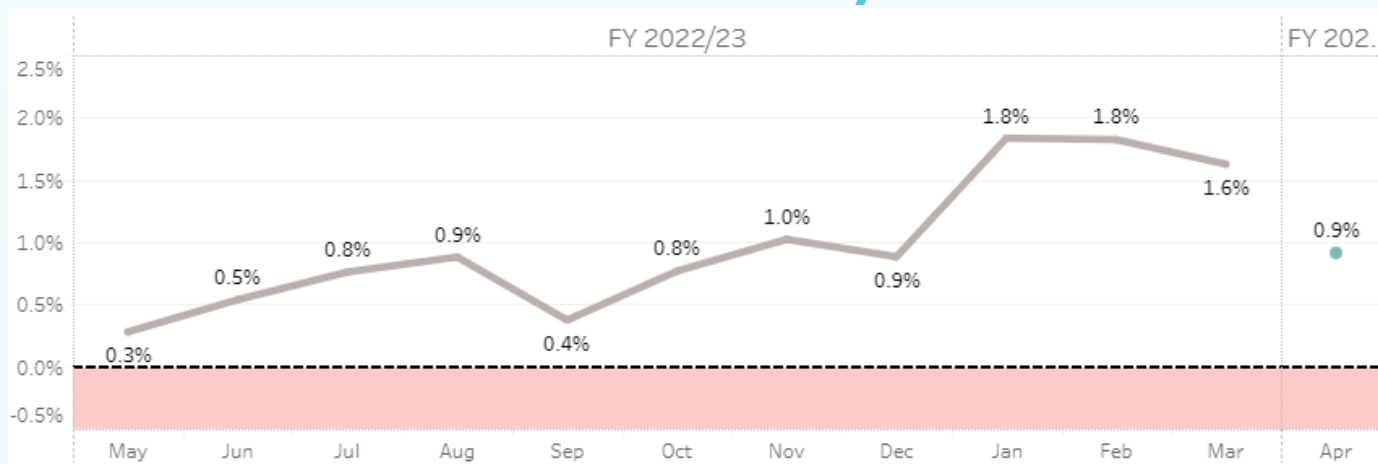
RPS Quarterly Performance

	FY 2022/23			FY 2023/24
	Q2	Q3	Q4	Q1
Level 2	42	35	48	37
Level 1	106	110	143	93
Perf. Review	78	81	37	91
Lost PA	1	1	1	1
Success Rate:	65.2%	63.9%	83.4%	58.6%

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

Note: Q1 only contains 1 month at this time. Updated monthly for progress monitoring.

RPS Variance by Month



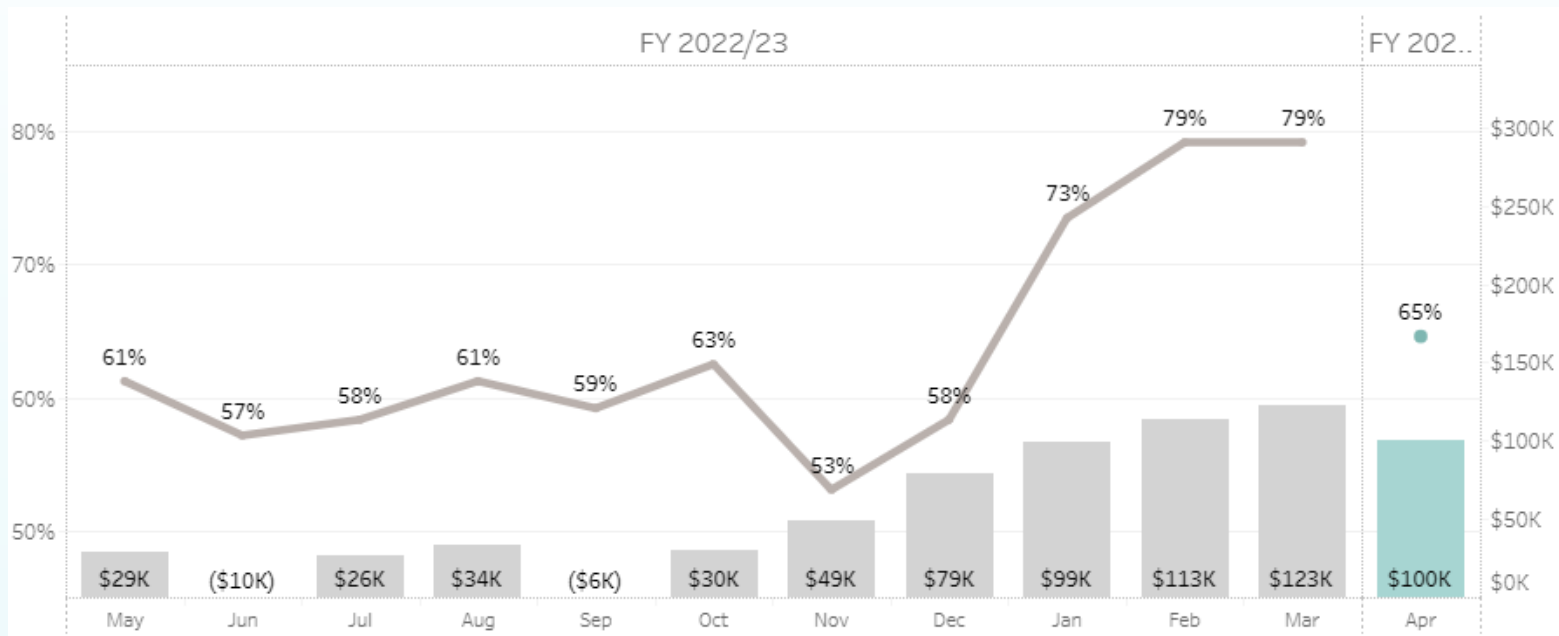
Shop Type Analysis

Dealer* — shop success

*Includes 1 shop in Lost PA

	FY 2022/23			FY 2023/24
	Q2	Q3	Q4	Q1
Success Rate:	61.2%	69.4%	85.7%	64.6%

Note: Q1 only contains 1 months at this time. Updated monthly for progress monitoring.

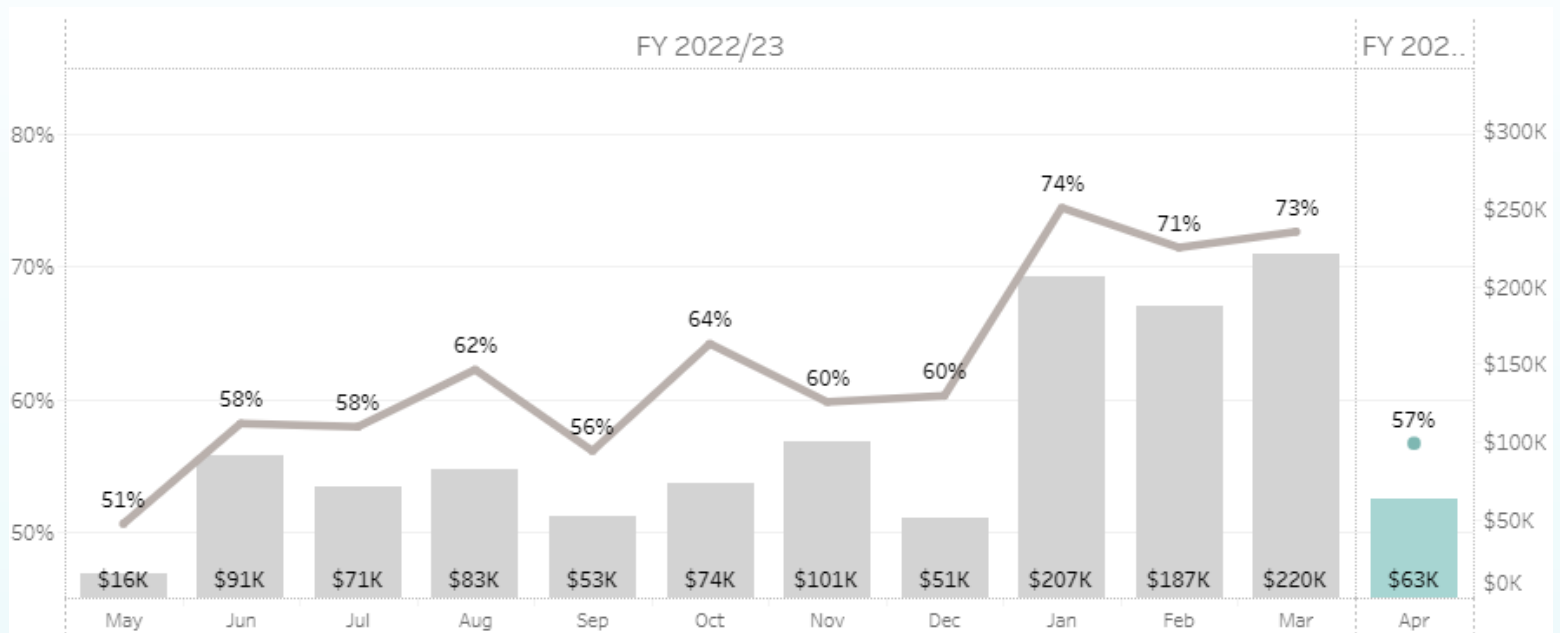


Shop Type Analysis

Independent – shop success

	FY 2022/23			FY 2023/24
	Q2	Q3	Q4	Q1
Success Rate:	66.3%	62.4%	82.8%	56.6%

Note: Q1 only contains 1 months at this time. Updated monthly for progress monitoring.



Agenda

Actions from last Meeting

1. Action Items

New items to discuss

1. Parts Autonomy
2. PDR
3. Accessories
4. Plastic Repair
5. Estimating Standards Discussion



PDR Roundtable

Summary of high priority items from the trade

1. Estimate Accuracy & Supplement Delays
2. Mitchell Estimating
 - Cloud Estimating, Connect
3. MPI Hail Matrix/Compensation
 - Allowances
4. Accreditation & Shop Measures
5. Training & Certification
6. Catastrophic Hail Response
7. Next Steps
 - MPI to develop implementation plan



Agenda

Actions from last Meeting

1. Action Items

New items to discuss

1. Parts Autonomy
2. PDR
3. Accessories
 - Pilot program update
4. Plastic Repair
5. Estimating Standards Discussion



Agenda

Actions from last Meeting

1. Action Items

New items to discuss

1. Parts Autonomy
2. PDR
3. Accessories
4. Plastic Repair
 - Status Review
 - Next Steps
5. Estimating Standards Discussion



Agenda

Actions from last Meeting

1. Action Items

New items to discuss

1. Parts Autonomy
2. PDR
3. Accessories
4. Plastic Repair
5. Estimating Standards Discussion
 - a. Shipping
 - b. Betterment
 - c. Shop Materials – rivet examples

