

Technical and Parts Consultation Committee Minutes

September 08, 2022 2:30 p.m. to 4:00 p.m.

Committee Attendance

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

- Steve Lupky, MPI
- Gord Froese, MPI
- Ed Stoyka, MPI
- Cody Sterzer, MPI

Regrets:

- Waldemar Koos, MPI
- Robert Ferreira, MPI

Action Items from previous meeting's agenda (July 7, 2022):

- 1. Survey to the industry for future research initiatives
- The results of the future research initiatives survey were shared (see slides 3 & 4). This information can be used to develop the training and research program going forward.
 - Incorporating ICAR points into the training was proposed, this would help with ICAR gold/platinum program maintenance.
- 2. MPI to provide update on the progress of the MAPP glass concept at the next committee meeting
- No updates at this time.

New Business:

- 1. Upcoming Town Halls
- The committee advised that the upcoming town hall meetings would be available to the trade starting with Thompson on Sept 28. Three additional town halls will be available later in November. One will take place in Winnipeg (location TBD), one in Brandon (location TDB), and the third will be a virtual session (date TDB).

The agenda for the town halls will include:

MPI updates on new and upcoming claims and estimating items



- Short (5-10 minute) presentation from the trade consultation committees
 - a) This will be a joint effort with both MPI and trade representatives
 - b) Lynsey/Dennis volunteered for the Parts & Technical Committee

Action Item (if required)

• Cody to reach out to sub-committee volunteers to plan presentation for town halls.

2. Map Upcoming Year Initiatives

- The floor was opened to suggestions for joint initiatives for the upcoming year. This is an
 opportunity to be proactive now that some prior initiatives have been completed. The
 following items were discussed:
 - a) Bumper Recycling & Plastic Repair
 - b) Mitchell On-Boarding Mechanical Shops & Water Loss Procedures
 - c) Hail Estimating
 - d) Electric Vehicle Repair Safety & Awareness

a) Bumper Recycling & Plastic Repair

Bumper cover recycling was discussed as one of the more pressing concerns affecting the trade. Other markets have recycling in place and their practices and policies should be reviewed. The committee all agreed that the result must be that the bumpers end up being recycled and not simply shipped somewhere for storage. Ferd mentioned that he has been in contact with an industry vendor that would like to be involved with any proposed solution.

Promoting more bumper repairs was raised by the ATA representatives. This would have benefits to cycle times, gross profitability, and fewer bumpers requiring recycling. MPI is open to working with the industry if they develop a recycling program.

b) Mitchell On-Boarding of Mechanical Shops & Water Loss Procedures

MPI is looking at expanding mechanical shop claim handling capabilities so they can more efficiently process their own claims. This initiative was primarily driven by the high number of water losses this past year. In addition, the entire water loss procedure will be reviewed.

The committee agreed that this is an important initiative and discussed examples of how the current procedure is faulty.

c) Hail Estimating

MPI intends to review the hail claim process. Automatic laser/camera hail counting machines were discussed as a way to provide more accurate estimates. A trade concern was raised regarding the accuracy of MPI hail estimates. Inaccurate hail counts will often cause the customer to make multiple trips in for estimating, supplementing, and

repair. Additionally, the trade members were concerned about the lack of clarity and detail in MPI hail pictures.

The committee will be consulted once the process review is underway.

d) Electric Vehicle Repair Safety & Awareness

See roundtable items below for more details.

3. Parts Autonomy Update

MPI provided an update on the Parts Autonomy quarterly performance (see slide 8).
 Overall there is improvement in RPS, more CPP searches and even the lowest scoring shops are seeing improvements.

A concern was raised regarding how the data is shown. Some members have noticed differences between recent and older reports in relation to how many shops were in performance review. Ed advised that he will investigate and report back.

Further discussion about the changes to the RPS scoring scale took place. MPI advised that many shops were hitting zero and wanted some positive recognition for not having a negative score, so the scores were adjusted accordingly. The twenty-percentage point spread between 0 points and the full 20 points was also discusssed. This was explained as the industry performance spread and tightening the scoring spread will result in too many shops with no or full points. Programs and Accreditation Committee can be brought in if more detail is required. These changes will slowly be released to the trade and SRAs will be providing support.

The presentation continued with the dealer/independent shop break down. Dealers are showing good progress (*see slide 9*). The independent shops are showing less variance from previous report (*see slide 10*). This could be due to the larger number of shops.

Next MPI presented the PA success by claim volume, this data was requested by the Technical Committee to determine if the data is being presented optimally (see slides 11 & 12). It was determined that based on the three different ways of presenting the success rate, the current version is preferable. No changes will be made to this report.

Next MPI provided an explanation of the Restricted Estimate Handling process that will be going into effect on Sept 12. This process only affects shops that have lost Parts Autonomy privileges. The related NTT will be delivered Sept 9 for trade awareness.

After the deck was presented, the committee discussed several trade concerns regarding the Parts Autonomy program. Topics included:

 MPI does not exclude claims from the shop data if there was no potential RPS, the example provided was a vehicle with less than 20 kms and no recycled parts available.



- Parts Autonomy "punishments", i.e., losing auto approval should not be part of corrective action.
- Lowering RPS targets due to lack of parts and a potential surge in the number of electric vehicles.
- Lack of available alternate parts and concerns with Car-Part listed inventory (accurate grading, availability, etc.). This then leads to overuse of line discounts to meet RPS targets.

The committee concurred Parts Autonomy is an MPI program and therefore, most of these concerns could raised through the Programs and Accreditation Committee. In addition, the re-baselining is targeted for mid 2023 at which time the RPS targets will be adjusted.

Action Item (if required)

Ed will investigate data discrepancy that was brought up and report back.

4. Compound Vehicle 'on hold' – PDP recommended changes

MPI provided an update on the issues with claims 'on-hold' (see slide 13).

It was explained that MPI has introduced an interim process to correct an issue where the total loss indicator remains on for repairable vehicles and causes an inaccurate CARFAX report. The committee confirmed that if the shop comes across one that was not corrected they should advise the Adjuster.

Next, details on how MPI plans to reduce the need for shops to contact MPI were provided (see slide 14).

It was explained that MPI is working with Mitchell to include loss details with all suffixes. Additionally, MPI is also looking to expand Mitchell's character limit so that the message won't be cut short.

Lastly the committee discussed the tow process and issues that were noted in the Brandon area. Brandon area shops do not receive an email notification about an incoming vehicle and quite often the keys aren't delivered. Ed agreed to investigate and report back.

Action Item (if required)

Ed will investigate the Brandon process and report back for the next meeting.



5. New Recycled Part Supplier

Team Auto Parts will be added to the list of MPI preferred suppliers in Car-Part, the
NTT was delivered Sept 8. The committee explained that Team has the added benefit of
sharing inventory with Progressive Auto Parts and that they expect this should add lots
of inventory options for the trade. Furthermore, this addition may encourage more
suppliers to join the program.

6. Mechanical Estimating Standard Update

• The NTT related to this item has been published and several of the changes are already in pace. The committee was asked for feedback on the updated Estimate Part Select standard, there were no comments or concerns at this time. The ES will remain a draft for 30 days to allow for additional time for the trade to review.

Roundtable

Lynsey

Concerned about vehicles waiting for months due to parts delays may now have problems with batteries and brake rotors. This becomes very frustrating for the customers and the shops end up absorbing the costs. The committee discussed shops being proactive in protecting the customer's vehicle if they are in their custody. MPI agrees that this raises a good question about what the responsibility is of MPI/shop/customer given these unique times with unexpected repair delays. MPI will review this issue further.

Franca

Inquired about the possibility of having all thefts checked by remediation shops prior to coming to the body shop. Several examples of blood, bodily fluids, weapons, and needles in vehicles after a theft have raised health concerns including fentanyl contamination. She was asked for claim number examples so that this issue can be reviewed in more detail. The committee discussed some cases where MPI will do certain drug testing. It was suggested that a script or job aid be created to help shops deal with claims where there are drugs in the vehicle. MPI Estimators will need to be vigilant in identifying these items, but it could be difficult to determine if the contaminates were present in the vehicle prior to the loss.

Tully

Proposed that MPI be proactive in advising shops of the risks of EV high voltage systems. Without proper awareness and education there is a higher risk of injury or vehicle damage. The committee agreed that the current OEM repair procedures are lacking in sufficient detail to cover all EV systems.

The committee asked what the ATA and MMDA are doing to prepare their members regarding safety procedures. The MMDA representative stated that a Webinar with



Global Automakers Canada and Audi on proper EV repair and what to expect for technical training PPE and safe handling was provided in May. It was suggested that this be a joint MPI/ATA/MMDA initiative to provide training and awareness. Suggested a joint coalition between MPI, the ATA, and MMDA, first responders, and other industry groups should be created. The option of looking to the European and U.S., markets for best practices was also presented.

Next Meeting

MPI will send out a communication to determine a suitable date for the next meeting.

Meeting adjourned: 4:30 p.m.

Technical & Parts

Consultation Committee

Sept 8, 2022



Actions from last Meeting

- 1. Survey to the industry for future research initiatives
- 2. Update on the MAPP glass concept

New items to discuss

- 1. Upcoming town halls
- 2. Map for upcoming year initiatives
- 3. PA Update
- 4. Compound Vehicle 'on hold' PDP recommended changes
- 5. New LK Supplier Team Auto Parts
- 6. Mechanical ES



Research & Training Survey

Q1 - Research Interest Rank

A total of 62 respondents completed the survey.

Collaborative Research Initiative	Rank
Glue pulling / Paintless Dent Repair	1
Shop material consumption	2
Hybrid / EV repairs and safety	3
Plastic repair / nitrogen welding	4



Research & Training Survey

Q3 - Training Interest Rank

Training Opportunities	Rank
MPI's estimating standards	1
OEM repair site navigation	2
ADAS calibration	3
MPI's parts business rules	4
Frame measuring and pre-pulling for accurate repair plans	5
Capturing Quality Photos	6



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- 2. Update on the MAPP glass concept
 - Nothing to report currently

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Parts Autonomy

RPS Quarterly Performance

	FY 2021/22		FY 2022/23	
	Q3	Q4	Q1	Q2
Level 2	39	36	25	46
Level 1	114	103	114	106
Perf. Review	77	90	90	72
Lost PA		1	1	1
Success Rate:	66.5%	60.4%	60.0%	67.1%

Q2 – Jul/Aug only

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

RPS Variance by Month





Shop Type Analysis

Dealer – shop success

	FY 2021/22		FY 20	22/23
	Q3	Q4	Q1	Q2
Success Rate:	69.4%	61.2%	59.2%	71.4%

Q2 – Jul/Aug only



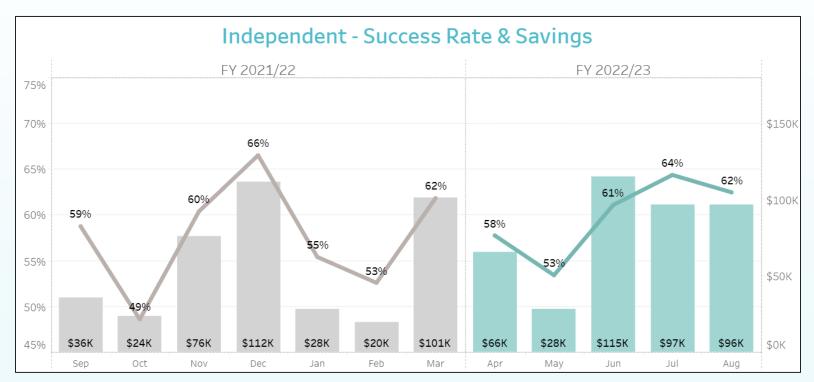


Shop Type Analysis

Independent – shop success

	FY 2021/22		FY 20	22/23
	Q3	Q4	Q1	Q2
Success Rate:	65.7%	60.2%	60.6%	66.3%

Q2 – Jul/Aug only





PA - Success by Claim Volume

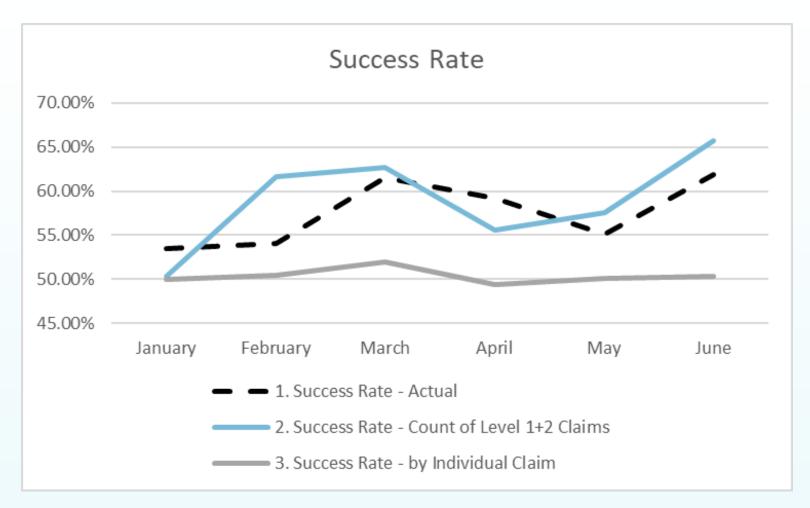
Success Rate	1. Actual – based on shops with claim volume	2. Claim Count of Successful Shops (Level 1 + 2)	3. By Individual Claim	Total Claims
January	54% (124)	50% (2,136)	50% (2,120)	4,240
February	54% (122)	62% (3,447)	50% (2,825)	5,595
March	62% (139)	63% (4,580)	52% (3,792)	7,306
April	59% (132)	56% (3,552)	49% (3,153)	6,390
May	55% (125)	58% (4,185)	50% (3,637)	7,269
June	62% (138)	66% (4,779)	50% (3,656)	7,270
Grand Total	57% (130)	60% (22,679)	50% (19,183)	38,070

Note: To only reflect RPS claims, any claims without R&R parts have been removed from counts

- 1. Actual success rate based on shops with claim volume. This is what we currently track.
- 2. Success rate by claim count of successful shops. This counts all claims of level 1 & 2 shops, regardless if the claim met expected savings.
- Success rate by individual claim. This counts any claim as a success if it met the minimum expected savings.



PA - Success by Claim Volume





Repair Holds & TL Indicator

In Progress

- Repair Assignment Holds will no longer be placed automatically on potential TLs in the future.
- Claims repaired with a TL indicator set on the Estimate will exclude the claim from KPIs. SRAs are being proactive and correcting majority of these but more steps will be taken to prevent this through system and process change.
- All Repair Assignment holds are being reviewed with the likelihood of many common repair holds to be removed resulting in:
 - Less calls for shops to remove holds.
 - More capacity for adjusters to respond to other shop calls.

Complete

- Recent email released to Repair Industry instructing all repair holds to contact SRA
 opposed to CPU temporarily. Allows us to ensure timely resolution and to investigate
 some of these holds.
- Receiving Dept calls the shop or emails before sending the vehicle. Recent change is the shop is encouraged to try and pull the claim before the vehicle is sent.



Reducing Shop Calls to MPI

In the past months there has been feedback regarding delays in being able to get a hold of MPI. We investigated the top reasons a shop may contact MPI from either this group, repair facilities, or from our Adjusting resources.

Reason for calling	Details	Actions
Remove holds on Repair Assignments	We've reviewed all reasons for repair assignment holds that have been in place since 2013. Current process is shop would contact CPU who would then triage. Some inconsistencies have been noted in this process causing delays.	Several changes will be made that will reduce the repair holds experienced today resulting in less calls to MPI allowing shops to pull repair assignments. SRA's are the temporarily contact and not CPU for holds to ensure the right process is being followed, so we can also track, determine and address the problems.
Checking if a ded is waived	When liability has been determined Adjusters are updating deductible status which is available in RC Connect.	A reminder will be made to Adjusters to ensure this is being done consistently to reduce need of calling MPI.
Checking if there is LOU	LOU is indicated on all 99 suffix dispatch reports. Dispatch reports aren't available on 01 assignments resulting in shops having to contact MPI for confirmation.	MPI is currently working with Mitchell to look into offering more information on a 01 Repair assignment equal to a 99. This will provide info on LOU, full loss details, and other valuable info to assist in writing Estimates. Vehicle Registrations will also indicate if the insured has LOU policy.
Unable to get a hold of their adjuster	Calls into MPI are greater today than precovid. Claim volumes returning to normal mean more calls from customers and shops.	The other actions on this table will reduce calls into adjusters and CPU allowing more capacity to get a hold of adjusters. We recently updated the following documents on Partners to ensure that repair facilities are utilizing the Repair Shop Support line followed by providing all the appropriate extensions for Adjusting. We hope that these changes provide clarity and improve the process. https://mpipartners.ca/LightVehicles/PoliciesProcedures/adjustercontacts.aspx

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