



Hello Collision Repair Program Participants,

Late last month, we told you we were working on actions to address your ongoing concerns about the long term sustainability of the collision repair industry and we made a commitment to follow-up in the fall.

Adjustments for labour rate and specific operational services

We're now announcing our collision repair program participants will receive an adjustment **equivalent** of up to a 10% labour rate increase. We are working on relevant systems changes and expect the increase to take effect by the end of the calendar year.

The adjustment is on top of the up to 9% labour rate increase we announced in May. In total, we're giving the equivalent of up to a 19% labour rate increase over three years, with up to 13% allocated this year, followed by another up to 3% in each of the next two years.

The new adjustment includes a 6.6% labour rate increase and 3.4% for new billable fees. The fees, and when they're applicable, are broken down below:

Fee	Amount	When Applicable*
Repair planning & documentation	\$50	All repairable claims
Tow-in handling	\$180	All towed-in claims
Total loss handling	\$100	All total loss claims

*Subject to adherence to estimating guidelines outlined in the Collision Repair Program Guide and MD Claims Procedures.

We know you'll have questions about each of these fees and how they'll be applied. We're still finalizing details and relevant Claims Procedures and will provide more information as soon as we can.

Update to May 2022 rate announcement

We're also updating our original rate adjustment announced in May. As you know, we noted you would receive an up to 9% labour rate increase over a three year period. The rate increase was based on the annual BC Consumer Price Index (CPI), minus 20% of the CPI, for a maximum labour rate increase of 3%.

We're no longer going to withhold the 20% for the two remaining years of the framework.

Other ongoing work

As part of our commitment to improving our internal processes, we're actively looking at ways to better identify Total Losses before they arrive at a shop, being more effective in moving non-drive vehicles to repair facilities and removing total losses from facilities in a timely manner.

Questions?

If you have any questions, our MD Account Services representatives are here to help. Please don't hesitate to reach out.





We value the work you do and thank you for your continued support to provide our mutual customers with quality services.

Sincerely,

Alden Li
Director, Claims Customer & MD Strategy