



November 25, 2022

Attn: Collision Repair Program participants

**RE: Update – Responding to industry concerns**

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Hello everyone,

We're writing to provide you with some updates on ongoing work to support repair facilities.

**RATES INCREASE – LABOUR RATE AND NEW BILLABLE FEES**

Further to our announcement earlier this fall, we're making an adjustment equivalent to a 10% increase in labour rate for collision repair program participants.

The new adjustment includes a 6.6% increase across all Collision Repair Program labor rates which will be effective November 28, 2022. The [rate schedule](#) will be updated on the business partners' page on the effective date to reflect the new labour rates.

It also includes a 3.4% for three new billable fees including processing total losses, accepting towed-in vehicles, and repair planning and file documentation. While the new billable fees will not be implemented on November 28, 2022, we're working with our technical teams and aiming to have the billable fees in place by the end of the calendar year.

**Applying the labour rate increase to your estimate**

Starting November 28, 2022, the new labour rates will be available in the Mitchell system. The new rates can be applied to estimates or supplements written on or after that date.

For estimates in-progress prior to November 28, 2022 you will need to re-apply the estimate profile on your estimate to receive the new rates.

These instructions apply to the new labour rate only. We're still working to implement the new billable fees and will provide further details as soon as we can.

**UPDATE ON LKQ FUEL SURCHARGE**

We also want to let you know we'll be re-listing parts vendor LKQ on the Mitchell platform starting December 1, 2022.

You may recall that LKQ was de-listed from the platform in September when they began adding a \$5 fuel surcharge to some of their invoices. LKQ has now rescinded their fuel surcharge effective December 1, 2022 and will be added back to the platform.





**What does this mean for you?**

Starting December 1, 2022, repair facilities will see LKQ parts listed in Mitchell. Repair facilities can continue to choose which company they purchase parts from; however, ICBC will not pay above the listed price in Mitchell.

As always, we are here to assist you in the transition on both of these issues. Please reach out to your MD Account Services representative if you have questions.

Sincerely,

Alden Li  
Director, Claims Customer & MD Strategy