



July 15, 2022

Attn: Collision Repair Program Participants

RE: Collision Repair Program – Tiering status for 2022/2023 and updates to Program Guide

Hello everyone,

I'm writing to share details of the tiering thresholds for the current measurement period and other updates to our policies and procedures that will improve efficiencies and reduce delays for our Collision Repair Program Participants.

Minimum thresholds for current measurement period

As you know, you're recognized regionally as Tier 1, Tier 2 or Assessment Tier, based on your eligibility and regional KPI performance from the previous measurement period.

Below are the criteria and minimum thresholds for the current measurement period (May 1, 2022 until April 31, 2023).

Tier 1: 25% of the highest performing facilities in each region will be eligible for Tier 1 status. For example, if there are 12 Participants in a region, the top 3 eligible Participants would be placed in Tier 1.

For facilities with lower than average paid claim volume, including non-drives, we'll review your results to confirm your rank within your region is appropriate for tiering purposes, and we may manually adjust the regional rank where appropriate. This ensures the Program Rank is based on a valid comparable volume of KPI data.

Tier 2: The Tier 2 minimum threshold will be set at **35%** below each region's average index score. For example, if the region's average score is 345, the minimum threshold for Tier 2 will be 224.

Assessment Tier: Tier 1 and Tier 2 suppliers with an overall KPI score below the Tier 2 minimum threshold for their region will be placed in the Assessment Tier at the next Static Tiering Date. Participants in the Assessment Tier for 12 months that do not meet the Tier 2 minimum threshold will be removed from the program on or before the next tiering date.

Update to claims procedures and Collision Repair Program Guide

I'm also pleased to share we've made further updates to our Manuals. A summary of the changes can be found below.

Updates to clarify billing practices and the labour rate

The update clarifies acceptable billing practices, explains the functioning of the labour rate and outlines applicable items that are approved for payment as





selectable in Mitchell. This update is for clarification only. Please continue to submit your estimates as usual.

Program Guide Section 8.19 - Change to total loss threshold

The total loss threshold offers a guide for when you must notify ICBC that a valuation needs to be complete. We're increasing the threshold from 60% to 80% for most vehicles. The threshold for vehicles with a rebuilt status will remain at 60%. Increasing the threshold creates opportunities for additional repaired vehicles while reducing the need for vehicle valuations creating quicker response times.

We'll continue to review the total loss threshold in relation to current market trends and vehicle values, and we'll continue to keep you informed if we make any further adjustments.

We've also updated the related [obtaining a valuation procedure](#) in the MD Claims Procedures.

Program Guide Section 8.2 - Parts

On June 20, we advised you can now include back-order parts and total loss teardown on the initial estimate. We've updated the Program Guide to reflect these guidelines.

Updates to recycled parts policy

You've told us we need to do more to maximize the number of insurance-quality parts available for ICBC claims.

In response, and in line with our values of being supportive and collaborative, we've updated our [Recycled parts requirements](#) claims procedures by modifying the requirement for recycled parts and removed the requirement to have a "same year or newer" part installed in a vehicle. Changes to the policy are already in effect.

Changes to the [Claims Procedures](#) are effective immediately and changes to the [Program Guide](#) are effective August 15, 2022.

Questions? We're here to help.

If you have any questions, please reach out to your [Account Service Representative](#) who is best positioned to assist you.

Sincerely,

Alden Li
Director, Claims Customer and MD strategy