

## Collision Repair Program Redesign - Road Show Summary (September 2019)

### Background

Starting in May 2019 and running for five weeks, ICBC hosted road show presentations throughout the province about the proposed [collision program redesign](#). All ICBC-accredited collision repair facilities were invited to attend.

Over 30 sessions were held, with a 90-minute presentation followed by a question period. Owners, managers, general managers, regional managers, technicians, and estimators representing 80% of Express Repair facilities attended.

For those who were unable to attend, we held an online meeting in July 2019 that featured a slightly condensed presentation and was followed by discussion with online participants.

The industry road show was designed to inform industry of, and solicit feedback on, ICBC's redesigned collision repair program. We collected all comments, suggestions and questions, and committed to reporting back to you in the fall.

Since then, we've given careful consideration to all the feedback we received and, where possible, we've made adjustments to the program. This document summarizes what we heard and explains how this has been addressed in the redesigned collision repair program.



## What we heard

### Feedback

Overall, feedback from the road show indicates that we are moving in the right direction with the new program and there is industry support for the changes we are making.

The main themes of this feedback, and how we considered and addressed it in designing the program, are detailed below.

*Note: Complete equipment and training requirements will be provided in the new Collision Repair Program Guide, which will be published this fall.*

### Advanced Driver Assistance Systems (ADAS) Calibration Policy

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"><li>• Industry urgently requires an ADAS policy as there is currently misinformation, lack of training, and there are no standards in place.</li><li>• Direction and oversight from ICBC is needed.</li></ul>	<ul style="list-style-type: none"><li>• ICBC will develop an ADAS calibration policy that will include allowances paid by ICBC to calibrate the system.</li><li>• This policy will be in place before the new program is implemented.</li></ul>

## What we heard

### Equipment Requirements

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"><li>• Some of the proposed equipment requirements, i.e. simultaneous, three-dimensional, electronic vehicle measuring system, are viewed by some repair facilities as being:<ul style="list-style-type: none"><li>○ Too expensive, especially in regions with lower claims volumes;</li><li>○ Unnecessary, since some shops rarely repair vehicles damaged in high-impact crashes.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• The proposed equipment requirements for the new collision repair program remain unchanged, as these requirements:<ul style="list-style-type: none"><li>○ Ensure ICBC-accredited shops are able to perform safe, proper repairs for our mutual customers;</li><li>○ Address the significant advancement in vehicle construction that has increased the need for specialized equipment;</li><li>○ Align with industry standards, such as manufacturer and industry certification programs, and ensure that most vehicles can be repaired according to OEM procedures.</li></ul></li></ul>

### Training Requirements

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"><li>• Outside the Lower Mainland, some concerns were expressed about the:<ul style="list-style-type: none"><li>○ Cost and time required to meet the new program's training requirements;</li><li>○ Training required to repair specialty vehicles, given the new claim handling process for SVA.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• The proposed training requirements, i.e. iCar, for the new collision repair program remain unchanged, as these requirements:<ul style="list-style-type: none"><li>○ Provide foundational knowledge;</li><li>○ Cover mainstream vehicles representing the majority of repairs;</li><li>○ Establish a clear minimum standard for all program participants.</li></ul></li></ul>

## What we heard

### Regions

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"><li>Some of the larger regions outside the Lower Mainland are too big: the mix of business/freight times/parts accessibility varies widely in these regions, so ICBC will not be able to ensure fairness when comparing performance (KPIs) of repair facilities.</li></ul>	<ul style="list-style-type: none"><li>ICBC has made the following changes to regions outside the Lower Mainland:<ul style="list-style-type: none"><li><b>Kootenays:</b> This region, which formerly included areas from Trail to Fernie, will be split into:<ul style="list-style-type: none"><li>East Kootenays (including Cranbrook, Creston, Fernie, Golden, Jaffray, and Kimberley);</li><li>West Kootenays (including Balfour, Castlegar, Fruitvale, Grand Forks, Nakusp, Nelson, Rossland, and Trail).</li></ul></li><li><b>Prince George:</b> This region, which formerly included the city of Prince George and the area south to 100 Mile House, will be split into:<ul style="list-style-type: none"><li>Prince George;</li><li>The area south of Prince George, including the towns of Quesnel, Williams Lake, and 100 Mile House.</li></ul></li></ul></li><li>These changes also ensure that customers have access to Tier 1 repair facilities.</li></ul>

## What we heard

### Tier 1 Cap

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"> <li>• While some repair facilities supported capping Tier 1 at a fixed percentage, i.e. 20% - 30% of top performers, to drive competition and elevate industry performance, others provided this feedback:               <ul style="list-style-type: none"> <li>○ If a repair facility in Tier 2 meets minimum performance requirements over the annual measurement period, the repair facility should move up to Tier 1, i.e. Tier 1 participation should not be capped.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The proposed fixed percentage* cap on Tier 1 participation in the new collision repair program remains unchanged, as:               <ul style="list-style-type: none"> <li>○ A performance based, exclusive target that is capped at a certain percentage promotes higher overall performance in industry for the benefit of the customer;</li> <li>○ Segmenting suppliers addresses concerns raised by industry about uniformity in the current program due to fixed performance and program requirements;</li> </ul> </li> </ul> <p><i>* The fixed percentage will be reviewed over time as KPI data becomes available.</i></p>

### ICBC Staff Training

Industry Feedback	ICBC Decision
<ul style="list-style-type: none"> <li>• General industry feedback suggested that ICBC staff may require training in order to support the new program.</li> </ul>	<ul style="list-style-type: none"> <li>• ICBC will ensure that estimators receive comprehensive training before the new program rolls out, including selected iCar courses.</li> </ul>

## What we heard

### Frequently Asked Questions

Following are ICBC's answers to the most frequently asked questions during the road show.\*

*\*The information provided below is accurate as of September 26, 2019. In the event of a discrepancy between this information and that contained in the new Collision Repair Program Guide, the latter shall be deemed to be correct. The Program Guide will be published later this fall.*

### Program

- **When will the new collision repair program be introduced?**

We will begin implementation of the new collision repair program in early 2020. The timing will be confirmed when the processes, technology, and training to support the new program are in place.

- **Will shops in the existing program need to reapply?**

Express Repair facilities that are in good standing will need to sign a new contract in order to participate in the new program. Additionally, they will be required to create a "company profile" by entering information in a new system. Repair facilities will join the new program in Tier 2.

- **Will ICBC consider reducing the 12-month review time for the evaluation cycle?**

A period of 12 months is a reasonable amount of time to collect sufficient performance metrics (KPIs), and will ensure that results are not skewed by seasonality or unusual repairs.

- **Will contract renewal dates change to align with the new program?**

Yes, eventually. We will be introducing the new program in early 2020 but, at this point, we have not yet finalized a start date. Since Express Repair contracts will expire on October 31, 2019, ICBC will be extending these contracts until June 30, 2020 for the

vast majority of repair facilities. This will allow us to transition to the new program in early 2020, and then to issue new contracts once processes and technology are finalized and staff training has been completed.

- **If a shop is part of a chain, will it be measured individually or as part of a group?**

Each individual repair facility is measured against all other repair facilities in their respective region, regardless of whether the shop is an independent, banner shop, or part of a chain.

## **Tiering**

- **When will tiering assessments take place?**

Tiering of shops will take place on an annual, static date (which has not yet been determined), based on 12 months of performance metrics.

- **What if ownership of a shop changes: does it remain in its current tier?**

Acquired shops will retain their tier status at the time of sale (i.e. a Tier 1 shop that is acquired will remain in Tier 1), as long as the shop continues to meet the KPIs for its tier.

- **Is the labour rate impacted if a shop moves from Tier 1 to Assessment Tier?**

In the new program, labour rates are independent of tier status.

## **Key Performance Indicators (KPIs)**

- **What KPIs will be used to calculate a shop's overall performance score?**

Performance is measured in the form of an aggregate score from KPIs.

The four categories of KPIs are:

- Estimatics – KPIs relating to estimating and repairing a vehicle, based on industry standards. In particular, the writing, supplementing, and submitting of an estimate by a repair facility.
- Cycle Time and ATS – identifies cycle times, rental, and ATS usage for an average estimate.

- Quality Assessment – ensures estimates submitted by a repair facility meet ICBC's program standards.
- Customer Experience – measures overall customer satisfaction with the repair facility's service.

### **Equipment and Training**

- **How long will shops have to meet the minimum equipment and training requirements of the new program?**
  - Equipment – Shops will have 12 months to meet the new equipment requirements.
  - Training – A significant grace period will be provided to program participants to enable them to meet the new training requirements.

### **Questions?**

If you have questions, please contact <mailto:MDPrograms@icbc.com>

*Thank you!*