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September 27, 2018

**Attn: All Glass Shops**

**Subject: ICBC announces work to begin on new glass tiering program and update to glass pricing and billing policy**

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### **New glass tiering program**

ICBC is pleased to announce plans to engage industry in modernizing our glass supplier program.

Earlier this year, we announced plans to update the collision repair program. ICBC now plans to also establish a tiering program for glass suppliers.

Over the coming weeks, ICBC will establish two separate industry advisory committees to help develop the new models. Both committees will include a fair representation from industry associations and suppliers from across the province, including single store operators, multistore operators, independent shops and banner shops.

While details of the models will be developed with industry, we know that the broad objectives of the new tiering programs will be to raise performance standards; recognize suppliers who have made business investments and adopted best practices; account for regional differences and ensure that high-quality services are available throughout British Columbia; achieve cost reductions through increased efficiencies; and, most importantly, ensure that our customers receive safe, prompt repairs at the best market value.

We anticipate recommended frameworks for both new programs will be put forward by early next year. The new collision repair tiering is targeted for implementation by the end of 2019. Implementation of the new glass tiering program will be announced once the complexity of the model and how it can be integrated with other ICBC systems and process changes is known.

### **Update to glass pricing and billing policy**

As we begin to redesign the glass supplier program, and after hearing from industry, ICBC and government agree the best path forward is to pause the policy changes regarding Original Manufacturer Equipment (OEM) and aftermarket (NAGS) parts utilization. Instead, the policy change will be incorporated into the advancing discussions with industry on program redesign.

We recognize that suppliers have experienced service challenges with sourcing parts effectively and efficiently. While these service issues are outside of ICBC's control, ICBC and the government understand this is a pain point for you.

The pause will apply to work completed on or after October 1, 2018. Glass suppliers should use aftermarket parts unless a replacement cost policy is in effect or an OEM windshield is required in order to perform an ADAS calibration.



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OEM data in Glass Web Express system will remain to allow for proper part selection when a replacement cost policy is in effect. The warning message indicating the best priced part will be removed.

ICBC continues to face serious financial challenges. The main policy change implemented in June, NAGS discount at 25 per cent, will remain in effect in order to reduce the pressures on auto insurance rates for customers and improve the long-term financial sustainability of ICBC.

ICBC is committed to working closely with industry and listening to your feedback. Modernizing our supplier programs is an important part of the suite of changes underway to create a sustainable insurance system in BC.

Thank you

Vito Albanese  
Senior Director Claims Strategy & Programs