



**Manitoba
Public Insurance**

ACCREDITATION AGREEMENT

This Agreement made on the 1st day of January, 2008

BETWEEN:

THE MANITOBA PUBLIC INSURANCE CORPORATION

- AND -

(ACCREDITEE)

TERMS AND CONDITIONS OF AGREEMENT

1.00 IDENTIFICATION

In this agreement “you”, “your” and “yours” refer to the accreditee named above while “MPI or MPIC” refers to The Manitoba Public Insurance Corporation.

2.00 DEFINITIONS

“Accreditation Committee” means the committee that is set out in paragraph 8.01 of this agreement;

“Acute Viewing Area” means the area of windshield that is covered by the sweep of the wiper blade on the driver’s side;

“Alternate Parts Coordinator” is the MPI employee that is assigned the responsibility to monitor the use of aftermarket, O.E.M., and recycled parts.

“ATA” means the Automotive Trades Association of Manitoba Inc.;

“Back-ordered Parts” means any part not available at the time of repair required to complete the repair that is on order from a supplier.

“Discussion Meeting” has the meaning ascribed to it in paragraph 7.01;

“Estimate” means an outline of proposed work required to place the Insured’s vehicle back into pre-accident condition.

“Finder-fee Cards” means a card designed for the purpose of compensating a third party who refers work to a Repair Shop.

“Giveaways” means an across the board reduction or benefit which affects the true cost of repairs including monetary merchandise or benefits.

“I-CAR” means Inter Industry Conference On Auto Collision Repair.

“MMDA” means the Manitoba Motor Dealers Association;

“MPIC” means The Manitoba Public Insurance;

“MPIC Intellectual Property” has the meaning set out in paragraph 4.21;

“MPI Names” means the words “Manitoba Public Insurance”, “Manitoba Public Insurance Corporation”, “MPI”, “MPIC” and “Autopac”;

“NAGS” means National Auto Glass Specifications.

“NAGS Calculator” and “NAGS Catalogue” are information publications which provides price and installation information.

“OEM” means original equipment manufacturer.

“Parts/Service Credits” means cash allowances to be applied towards the acquisition of parts or services.

“Pattern” means two (2) or more instances of deliberate prohibited actions or behaviour within a 365-day period;

“Pitting” means an accumulation of minor cavities, hollows or indentations found on autoglass as a result from wear and tear over a period of time that won’t crack or spread;

“Probation” means subjection of a repair firm to a period of more strenuous review and reinspection;

“RCO” means the Recycler’s Central Office.

“Signing Officer” means the officer of the accredittee duly authorized by MPI to sign on your behalf;

“Supplier” means provider;

“Suspension of Autoglass Privileges” means MPI’s decision to refuse to do direct autoglass business.

3.00 PURPOSE

3.01 This agreement serves to set out the relationship between you and MPIC and by signing it the parties agree to abide by all of its terms, conditions and to maintain a positive and professional working relationship. The accredittee understand that any failure on its part to abide by the terms and conditions of this agreement may result in the loss of its accreditation, or refusal to do direct business.

4.00 COLLISION ACCREDITATION

4.01 Maintain Accreditation Requirements

You agree to maintain all of the requirements for accreditation outlined in your application for accreditation which is attached to and forms part of this agreement. You understand and agree that if you do not maintain these requirements, then your accreditation will be lost.

4.02 Notice of Loss and Regaining Accreditation

You understand and agree that your accreditation shall be lost upon receipt of written notice from MPIC informing you of the loss of your accreditation. You further understand and agree that the written notice shall contain reasons for the loss of your accreditation. Upon losing your accreditation, you will only be able to regain your accreditation upon submitting another successful application. You understand and accept that a subsequent application for accreditation will only be considered after a period of six months or a period determined by the appeal process has elapsed from the date that your accreditation was lost.

4.03 MPIC may inspect premises

You agree to allow representatives of MPIC to inspect your repair facilities from time to time to confirm that all accreditation requirements are being maintained. You accept that these inspections will occur during normal business hours without prior notice. You understand and accept that should you refuse an inspection, your accreditation shall be suspended.

4.04 No Giveaways

You agree that Giveaways of products or services related to repairs are not permitted, and agree to allow MPIC to deduct the value of Giveaways from the repair accounts which you submit. You understand and accept that a Pattern of Giveaways will result in the suspension of your accreditation.

4.05 Proper Repairs

You agree to complete repairs according to MPIC's Estimate including contract repairs utilizing products and recognized repair techniques that must ensure that the repairs meet all safety and quality standards, based on I-CAR or OEM repair standards and recommendations. You understand and accept that a Pattern of improper repairs or billing for parts not supplied or for work not completed may result in the suspension of your accreditation.

Where a repair infraction has occurred, a warning letter will be sent to the repairer. Should a second occurrence arise within a 365 day period from the date of the first letter, the repairer may lose its accreditation.

4.06 Temporary Repairs

You agree to complete repairs promptly upon receiving the vehicle owner's authorization in order to provide service to the owner and to mitigate loss of use and additional costs. Undue delays in repairs will be reported promptly to MPIC and the owner. If the vehicle is safely driveable or temporary repairs can be made to make it safely driveable, the owner must be allowed to continue to drive the vehicle until the delay has been resolved. Any costs to complete the temporary repairs may be billed to MPI upon release of the vehicle.

4.07 Repair Delays

You agree that if you have caused undue delay in the repair of a vehicle, MPIC may give you written notice of these findings. Should a subsequent occurrence arise within a one year period, a second written notice will be sent detailing the loss of use cost which the undue delay has caused and will result in recovery from the repair facility.

If you disagree with either MPIC decision, the matter may be appealed in accordance with the "Dispute Resolution Section" 8.00.

4.08 Provide a repair warranty

You agree to warranty repairs for a minimum period of one year from the date the orders were completed. You understand and agree that a failure to properly provide or honour such warranties may result in the suspension of your accreditation.

4.09 Approval Required for Estimate changes

You agree not to change an Estimate without first obtaining MPIC approval. You understand and accept that a Pattern of unapproved changes to Estimates may result in the suspension of your accreditation. (Parts price updates are not considered to be unapproved changes)

4.10 Back-ordered Parts

You agree to delete all charges related to Back-ordered Parts from invoices submitted by you to MPIC. You agree to subsequently invoice MPIC for the costs associated with the Back-ordered Parts after such Back-ordered Parts are installed by you. You agree that you will ensure that the vehicle owner has inspected the work done by you and has certified that the Back-ordered Parts have been installed satisfactorily. You further agree that one of your Signing Officers will sign the Estimate in order to certify that all the repairs listed have been completed and all itemized parts have been installed. You understand and accept that a Pattern of non-compliance with this paragraph may result in the suspension of your accreditation.

4.11 Certified repairs

Subject to paragraph 4.09, you agree that one of your Signing Officers will sign the Estimate in order to certify that all the repairs listed have been completed and all itemized parts have been installed. You understand and accept that MPIC may not pay for uncertified Estimates.

4.12 Collect deductibles and depreciation

You agree to collect any and all deductibles or depreciation from vehicle owners shown on the Estimate along with any other agreed contributions to the repair cost. You agree not to use Finder-fee Cards or issue Parts/Service Credits. You agree that you will not waive or otherwise offset any deductibles, depreciation or other agreed contributions. For greater certainty, you may place any deductible, depreciation or other agreed contribution amounts owing on your account, on condition that you enter into a written contractual agreement with the insured claimant stating that such amounts shall be repaid to you in a period not to exceed 90 days from the date repairs were completed (the "Repayment Period"). You further agree to impose a further condition on insured claimants stipulating that failure to pay such amounts owing to you within the

Repayment Period shall cause interest at a fixed rate of interest to accrue on the amount owing, such rate to exceed the Bank of Canada's Prime lending rate. You understand and accept that a Pattern of non-compliance with this paragraph will result in the suspension of your accreditation.

4.13 Proper signatures

Before starting repairs, you agree to ensure that vehicle owners or their representatives have read and signed the repair authorization located on the back of the Estimate. After completing repairs, you agree to ensure that vehicle owners or their representatives have inspected the repairs and certified their satisfaction with the repairs by signing where indicated on the back of the Estimate. You understand and accept that MPIC may delay payment of the invoice until such compliance. You also understand and accept that a Pattern of non-compliance with this paragraph may result in the suspension your accreditation.

4.14 Labour and material rates

You agree to abide by the labour and material rates agreed to by the Industry and MPIC, and to not charge either MPIC or its insureds more than those agreed upon rates. You understand and accept that a Pattern of non-compliance with this paragraph may result in a suspension of your accreditation.

When the estimate calls for parts to be retained for salvage, the shop agrees to retain all items indicated for a period not less than 30 days following the repairers receipt of payment from MPIC. Heavy Truck Exchange Program items are excluded.

Failure to produce the parts for pickup within the above mentioned time period will result in a recovery from the repair facility up to 25% of the parts invoiced value. MPI agrees to investigate the feasibility of having the shops notify the Salvage Department to facilitate the pick up of retained parts.

4.15 Use of own registered account number

You agree not to use another repairer's registered account number unless:

- (a) you have completed work on a vehicle; and
- (b) the other repairer has also completed work on the same vehicle.

You understand and accept that a failure to abide by the terms of this paragraph may result in the suspension of your accreditation and registered account number.

4.16 Charging only for own work

You agree not to allow the use of your registered account number for another repairer's work, unless:

- (a) the other repairer has completed work on a vehicle; and
- (b) you have also completed work on the same vehicle.

You understand and accept that failure to abide by the terms of this paragraph may result in the suspension of your accreditation and registered account number.

4.17 Recycled parts price consistent with RCO price

For recycled parts, you agree to contact the RCO to determine availability and charge MPIC a price not to exceed the price quoted to the RCO by the supplier. (A repair facility that supplies a used part from its own inventory to be installed that same working day may invoice MPIC at the maximum allowance percentage without contacting the RCO only if the RCO is not open for business).

4.17 Resolve part problems with the Suppliers

You agree to immediately contact the Supplier upon discovering that the recycled or alternate parts you ordered are in unsatisfactory condition. You agree to contact the Claim Centre handling the claim if the problem cannot be resolved with the Supplier. If the problem still can not be resolved, please contact the Alternate Parts Coordinator.

4.19 Invoice properly for recycled and alternate parts

You agree to invoice prices as follows:

- (a) except for recycled power-train parts or front and rear clips, the lower of the manufacturer's suggested list price or the price quoted to the RCO by the Supplier,
- (b) for recycled power-train parts or front and rear clips, the price supplied by MPI;
- (c) for recycled glass, the invoiced price will not exceed the lesser of fifty per cent (50%) of NAGS or the price quoted to the RCO by the supplier.

If MPIC should ask you for the invoice received from the Supplier, you agree to supply a copy to MPIC promptly, and in any case, not more than five (5) business days from the date of MPIC's initial request. You agree to contact the Alternate Parts Coordinator about any discrepancies in the pricing of recycled parts.

4.20 Correct amounts to be invoiced

You agree to allow MPIC to adjust improperly invoiced amounts to the correct amounts and to issue payment based on the corrected amount, providing the reasons for the changes. Written notice will be provided to the repairer in all cases when the net change exceeds \$10.00. MPIC will subrogate from repairers who overcharge or charge for new parts when recycled parts were available.

4.21 Notify MPIC

You agree to notify MPIC in writing if the name, ownership or location of its business is changing. You further agree that where you have advance knowledge of such a change, you shall notify MPIC not less than ten (10) business days prior to the effective date of such change.

4.22 Permission to use trademarks, etc. required

You agree not to make use of any and all MPIC Names, any and all MPIC logos, or any other trademark, logo, business name, trade name which is owned and/or used by MPIC (the "MPIC Intellectual Property"), without the prior written permission of MPIC. You understand and accept that if you use any and all of the MPIC Intellectual Property without first obtaining the prior written permission of MPIC, your accreditation will be suspended. Upon suspension of your accreditation, you will remove the MPI Intellectual Property from your premises within 30 days. Failure to remove the MPI Intellectual Property within 30 days may result in MPI initiating legal proceedings against you, including but not limited to proceedings requesting injunctive relief.

4.23 Representation by the ATA and MMDA

You agree to allow the ATA and the MMDA to negotiate on your behalf any and all changes to this agreement. You further agree to abide by those changes upon your notification of such changes.

5.00 AUTOGLASS ACCREDITATION

5.01 Refer discrepancies to MPIC

You agree to review with the MPI's Glass Audit Unit any and all discrepancies between the actual autoglass damage and damages indicated within the Glass Repair/Replacement Authorization. You understand and accept that a failure to do so will result in a Suspension of your Autoglass Privileges.

5.02 Explain repairs fully

You agree to:

- (a) fully explain the Glass Repair/Replacement Authorization document to vehicle owners or their representatives; and
- (b) ensure that the vehicle owner or their authorized representatives receives the Glass Repair/Replacement Authorization document.

5.03 No claims on behalf of owners

You understand that vehicle owners themselves must claim for glass repair or glass replacement and that you cannot do so on their behalf. You understand and accept that non-compliance with this paragraph will result a Suspension of your Autoglass Privileges.

5.04 Repair rather than replace

Subject to paragraphs 5.05 and 5.06, You agree to repair and not replace windshields when

- (a) the damage is outside the Acute Viewing Area; and
- (b) repairing, as opposed to replacing, does not compromise safety.

Where a vehicle owner insists on a repair to the acute area of a windshield even though Industry standards require replacement, you agree that you will obtain the vehicle owner's signature on an MPIC Waiver prior to commencing the windshield repair. You understand and accept that MPIC will not consider payment until the MPI's Glass Audit Unit has received the signed Waiver.

Any deviation from this policy requires prior approval of MPI's Glass Audit Unit. Failure to obtain this approval will result in suspension of your autoglass privileges.

5.05 Expensive Repairs and 8 Year Old Vehicles

You understand and agree that notwithstanding paragraph 5.04, where:

- (a) A vehicle is more than eight (8) model years old; and
- (b) The costs of repairing/replacing the autoglass shall exceed One Thousand Five Hundred (\$1500.00) Dollars;

You shall contact MPI's Glass Audit Unit for approval prior to carrying on glass repairs or replacement. You understand and accept that a failure to abide by the conditions of this paragraph will result in a Suspension of your Autoglass Privileges.

5.06 No invoice for Pitting

You agree not to invoice MPIC for Pitting. You understand and accept that non-compliance with this paragraph will result in a Suspension of your Autoglass Privileges.

5.07 Must obtain approval

You agree to obtain MPIC approval before replacing glass not listed in the current NAGS Calculator or NAGS Catalogue. You understand and accept that non-compliance with this paragraph will result in a Suspension of your Autoglass Privileges.

5.08 No Give-aways

You understand that Giveaway of products or services and/or use of Finder Fee cards or certificates related to autoglass repairs are deemed to be a waiver of deductibles and are not permitted. You understand and accept that any Giveaways will result in a Suspension of your Autoglass Privileges.

5.09 Repair Failure

If any windshield repair at any time or for any reason fails or does not meet industry standards and necessitates the replacement of the glass, it is the responsibility of the repairer to notify the Glass Audit Unit. (The cost of the failed repair will be deducted from the price of the replacement to a maximum of \$60).

6.00 MPI PROMISES

6.01 Pay accounts within 30 days

MPIC agrees to pay your accounts within thirty (30) days of receipt, provided you have submitted your accounts promptly and correctly according to this agreement.

6.02 Deductibles/Depreciation

MPIC agrees to explain to the owners of accident-damaged vehicles, the contents of estimates, and the repair related procedures, including the requirement on the part of the owner to pay any deductibles and./or depreciation. MPIC further promises to clarify to the owner any situations involving old damage or aftermarket and recycled parts if called for in the estimate.

6.03 Notification of changes

MPIC agrees to notify you promptly of any changes to this agreement negotiated on your behalf by the ATA and the MMDA.

MPIC agrees to supply the Estimating Manual (including interdepartmental memos to MPI Estimating staff), complete and up-to-date, and any future changes to procedures and/or practices will be submitted to ATA for discussions with MMDA and /or revisions prior to implementation. MPIC may consider revisions to proposed changes in procedures and/or practices as a result of such discussions.

6.04 Technology and Training

MPIC will stay abreast of new repair techniques and equipment. From time to time, representatives from the Corporation and the automotive repair industries will meet to discuss technological changes in repairing and estimating. The Corporation will also participate with the automotive repair industry in training courses for areas of mutual interest, e.g., Inter-Industry Conference on Auto Collision Repair (I-CAR).

6.05 Reinspection of Repaired Vehicles

MPIC will reinspect a number of repaired vehicles in all areas of Manitoba on a random, and continuing basis, in order to satisfy owners and the Corporation that good quality, safe repairs are being completed in accordance with estimate requirements.

7.00 SUSPENSION OF ACCREDITATION/REFUSAL TO DO BUSINESS

7.01 Written Notice of Suspension

You understand and agree that your accreditation and/or autoglass privileges will be suspended in accordance with the provisions of this agreement 10 working days following receipt of written notice from MPIC. However, if an appeal of that suspension is requested in accordance with the provisions of paragraph 8.03 the suspension will not commence until your receipt of the committee's decision. You further understand that MPIC will provide the reasons for such suspension within the written notice.

7.02 Reasons for Suspension

Accreditation or Autoglass privileges may be suspended for reasons including but not limited to the following:

- Failure to maintain minimum qualifications for accreditation.
- Deliberate attempt to defraud the Corporation or a conviction of fraud with respect to vehicles and/or repair work for which the Corporation has made payment.
- Failure to collect deductibles.
- Submission of invoices for work done by other repairers. This does not include work done on a proper sublet basis for which separate invoices may be required.
- Making false statements on an application for accreditation.
- Any repair shop surcharging on parts.
- Any repair shop failing to comply with the Stolen Wrecked Vehicle Monitoring Program rules and regulations.
- Any Body Integrity Inspection Station that has its ability to perform Body Integrity Inspections revoked, suspended, or cancelled by the Department of Driver and Vehicle Licensing.

7.03 Length of Suspension

You understand and accept that MPIC may impose whatever length of suspension of your accreditation and/or Autoglass Privileges as MPIC, in its sole discretion, acting reasonably, determines to be just in the circumstances.

However MPIC agrees to limit 1st time collision accreditation suspensions to a period not to exceed six (6) months and for autoglass to use the following schedules:

No Criminal Convictions

- First Offence – Refusal to do direct glass business will be for a six-(6) month period, at which time the repairer may re-apply in writing to resume direct business.
- Second Offence – Refusal to do direct glass business will be for a two (2) year period, at which time the repairer may re-apply in writing to resume direct business for a one (1) year probationary period.

Criminal Convictions

- Any Offence – Refusal to do direct glass business will be for a five (5) year period, at which time the repairer may re-apply in writing to resume direct business for a two (2) year probationary period.

NOTE:

- Where a repair firm has been convicted of a criminal offence related to a glass claim, they will not be afforded a right of appeal, as outlined in the Accreditation Agreement.

8.00 DISPUTE RESOLUTION

8.01 Resolving Disputes

You understand and agree that the Accreditation Committee is the final arbiter of all disputes arising from this agreement. You understand and agree that the Accreditation Committee is composed of five members, as follows:

- (a) A non-voting chairperson with no connection to MPIC, the ATA or the MMDA and mutually agreed to by MPIC, the ATA and the MMDA;
- (b) one member from the ATA;
- (c) one member from the MMDA; and
- (d) two MPIC appointees.

8.02 Submission to Review

You understand that either you or MPIC may ask the Accreditation Committee to review a dispute. You understand that you may ask the Accreditation Committee for a review of a dispute by applying to MPIC in writing, as provided for in paragraph 9.11.

8.03 Time Limit for Receipt of Application

You understand that MPIC must receive a written request for review within ten (10) working days of receipt of the written notification of the loss of accreditation or refusal to do direct business.

8.04 Notification of Hearing

Upon MPIC's receipt of the request, you understand and agree that you must wait for notification from MPIC of the date, time and location of the hearing. You understand and agree that upon notification of the date, time and location of the hearing, you must attend in person at the appointed time and location. You understand and agree that you may represent yourself or be represented by a representative of your choice.

8.05 Minutes

Minutes will be taken during the presentation of information at the appeal hearing and will be available to the Corporation and representatives of the ATA/MMDA. However all discussions during the decision process will remain confidential.

8.06 Decision to be Rendered

You understand and agree that the Accreditation Committee shall provide a decision with respect to the dispute as soon after the hearing as possible, but in any event not more than twenty (20) days from the date the hearing was completed.

8.07 Winning an Appeal

You understand and agree that you are considered to have won your appeal if at least two members of the Accreditation Committee rule in your favour. You understand and agree that MPIC is considered to have won its appeal if at least three members of the Accreditation Committee rule in its favour. You further agree that the Accreditation Committee referred to in paragraph 8.00 will stand as the final arbiter for all disputes arising from this agreement and that the Accreditation Committee's decision shall be final and binding on you and MPI.

9.00 GENERAL PROVISIONS

9.01 Survival of Terms

You understand and agree that the terms and conditions contained in the agreement shall survive the termination of the agreement. This agreement will expire on December 31st, 2009 unless otherwise terminated by written notice of either party effective ninety (90) days after such notice is given.

9.02 Independent Contractor

You agree that you are an independent contractor, and that the agreement does not create the relationship of employer and employee, of principal and agent, of joint venture, or of partnership between you and MPIC or between MPIC and any of your officers, employees or agents.

9.03 No Assignment

You understand and agree that neither you or MPIC shall assign or transfer this agreement or any of the rights or obligations under this agreement without first obtaining written permission from the other. You further understand and agree that no assignment or transfer of this agreement shall relieve a party of any obligations under this agreement, except to the extent they are properly performed by such party's permitted assigns.

9.04 Applicable Law

You understand and agree that this agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba.

9.05 Waiver

You understand and agree that any failure or delay by either party to exercise or partially exercise any right, power or privilege contained in this agreement will not be deemed to be a waiver of such right, power or privilege. You further understand and agree that the waiver by either party of a breach of any term, condition or provision of the agreement shall not be construed as a waiver of any subsequent breach.

9.06 Performance of Necessary Acts

You agree to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this agreement.

9.07 Headings

You understand that paragraph headings used in this agreement are for convenience only, and shall not be deemed to be part of this agreement.

9.08 Counterparts

You understand and agree that this agreement may be executed in any number of parts. Each such part will have the same effect as if both parties had signed the same document. You further agree that all parts shall be construed together and shall constitute one agreement.

9.09 Execution by Fax

You understand and agree that the execution and delivery of this agreement by facsimile transmission shall be sufficient to constitute proper execution and delivery of this agreement.

9.10 Singular includes the Plural

You understand and agree that in this agreement, unless the context clearly otherwise requires, the singular includes the plural and vice-versa.

9.11 Notice

You understand and agree that any notice or other communication to you under this Agreement shall be in writing and shall be delivered personally or sent by registered mail, postage prepaid to the address described on the general information sheet of your application.

You understand and agree that, unless otherwise specifically provided for elsewhere in this agreement, any notice or other communication to MPIC under this agreement shall be in writing and shall be delivered personally or sent by registered mail, postage prepaid, to:

**Quality Control Manager
Manitoba Public Insurance Corporation
Physical Damage Centre
P.O. Box 45064, Regent Postal Outlet
Winnipeg, MB, R2C 5C7**

You further understand and agree that any notice or communication sent by registered mail shall be deemed to have been received on the third business day following the date of mailing. If mail service is disrupted by labour controversy, notice shall be delivered personally.