



December 21, 2022

Attn: Collision Repair Program participants

RE: Update to Tier 2 minimum threshold and program measurement updates

Hello everyone,

I'm writing to update you on changes to the Tier 2 minimum threshold for the current measurement period. These updates are done with careful consideration while enabling our commitment to continuous improvement of our material damage programs.

Updates to minimum thresholds for current measurement period

As you know, you'll be recognized regionally as Tier 1, Tier 2 or Assessment Tier, based on your eligibility and regional Key Performance Indicators (KPI) performance at the conclusion of this current measurement period (May 1, 2022 until April 31, 2023).

The **Tier 2 minimum threshold** for the current measurement period will be reduced to **50%** below each region's average index score. For example, if the region's average score is 622, the minimum threshold score for Tier 2 will be 311. The previous minimum threshold was set at 35%. Participants will first see this change reflected on their January scorecard.

We're continuing to look for ways to make improvements to our KPI measures. As you may recall, at the beginning of the last measurement period, we removed CSI as a scoring metric. After reviewing the results since the change in metrics, we determined the Tier 2 minimum threshold should also be updated. This update was made with careful consideration for program factors such as regional supplier capacity, supplier measurement data, scorecard delivery and performance standards.

Assessment Tier threshold

As a reminder, Tier 1 and Tier 2 program participants 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 at the Static Tiering Date will be removed from the program.

Other Program Measurement updates

Earlier this year, a defect was discovered and corrected that allowed some teardown for Total Loss estimates to be included in the KPI measurements when it should not have been.

As a program enhancement, we have also made a change to a KPI exclusion that did not allow inclusion of private passenger vehicles that were insured for commercial use to factor into a repair facilities KPI's. This exclusion typically applied to some pick-up trucks, this change helps to better reflect a participant's work mix. **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

