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March 5, 2021

Attn: Collision & Glass Repair Participants

RE: Post-Implementation Business Review (PIBR) Report

Dear business partners,

Today we are releasing PricewaterhouseCoopers (PwC) [report](#) from the Post Implementation Business Review (PIBR) that many of you participated in last summer. I would again like to thank all of you who took the time to be an important part of this work. By contributing to the data collected, you are helping to shape an understanding of the industry and inform what's needed going forward.

There was good participation from the collision repair industry, providing essential cost and revenue data. However, PwC did not receive sufficient data from glass suppliers to better understand the financial health and performance of BC's auto glass industry.

Collision repair facilities

The report told us that over the last three years, direct costs for collision repair facilities in BC have increased by 2%. As a result, ICBC will increase the labour rate by 2.58% by end of April, with the resulting rates as follows:

- \$75.30 for Body and Paint labour
- \$86.07 for Frame labour
- \$96.83 Mechanical labour

Glass repair facilities

To assess the sustainability of BC's auto glass industry, quality data related to direct and indirect costs is critical. PwC did not receive sufficient data from suppliers to generate insights for the profitability of BC's auto glass industry.

Any adjustments that we make need to be data driven as the compensation we pay our business partners has a direct impact on Basic and Optional insurance rates. As PwC did not receive sufficient data to understand the costs of glass repair facilities and if, and how, they may be shifting, we are unable to consider rate changes for glass suppliers at this time.

Looking ahead

We recognize that both the collision and glass industries face some challenges. We are committed to continue to work together to look for opportunities to improve administrative efficiencies for shops, ICBC and our mutual customers. We will also work with government partners and industry to develop strategies to help increase the supply of skilled workers.

ICBC is committed to commencing another comprehensive review in May 2023 for not only collision repair and glass industries, but also for the commercial repair and towing industries. This will provide sufficient time for our new collision repair and glass programs to mature and to understand how the program redesign, in addition to recent changes, are impacting industries in BC.



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We value you, our business partners, and your commitment to providing our mutual customers with safe, consistent, quality services.

If you have any questions, please email MDPrograms@icbc.com.

Sincerely,

Greg Beauregard
Director, Material Damage Strategy and Programs