



March 27, 2023

Attn: Collision Repair Program participants

RE: Paint and Body material rate increase

Dear Collision Repair Partners,

Last year, we committed to reviewing paint and body material cost allowances on an annual basis. We're writing to let you know we've completed our review for 2023 and will be increasing rates for paint and body materials, including Feather Prime and Block, effective March 31, 2023.

The new rates are as follows:

Item	Current rate	New rate (as of March 31, 2023)
Paint material	\$50.81	\$55.38
Body material	\$6.52	\$6.85

Also starting March 31, 2023, the User Defined 1 labour rate for the **Feather, Prime and Block** operation will be adjusted to reflect the material increase. The new User Defined 1 rate will be increased to \$96.86 (\$90.01 User Defined 1 labour rate + \$6.85 materials allowance = \$96.86). This modified labour rate only applies to the Feather, Prime and Block allowance.

The new rates will apply:

- To vehicle repairs in progress with a car-in date of January 1, 2023 or later. Repair facilities will need to re-apply the estimate profile to receive the new rates for vehicle repairs in progress.
- To new estimates written March 31, 2023 or later. For new estimates written March 31, 2023 or later, selecting the applicable estimate profile will apply the new rates to the estimate.

In determining the new rates, we worked with industry suppliers to collect data on cost increases and build an understanding of other factors that could influence prices in the future. The data provided by these suppliers was critical to understanding how costs are evolving and how key factors were considered and was integral in building our analysis and review process. Once we received the data, we conducted our analysis and made our decision to increase paint and material rates. We'd like to thank Color Compass Corporation and Horizon Paint & Auto Body Supplies for their participation.

If you have any questions, please contact your [Account Service Representative](#).

Sincerely,

Alden Li,
Director, Claims Customer and MD Strategy

