

LETTER OF UNDERSTANDING

RE: CLAIMS WORKFORCE TRANSITION

WHEREAS:

- A. ICBC is engaged in a Transformation Program which will result in changes to existing jobs within the Claims division, and a decrease in the size of ICBC's workforce over time.
- B. The parties are committed to minimizing the disruption to employees as a result of these changes to the extent possible.
- C. Where reasonably possible, the parties are committed to achieving workforce reductions through attrition.
- D. During the Transition Period Process described in paragraphs 10 to 40 of this Letter of Understanding, (the "Transition Period Process") the parties are committed to the retention of existing regular employees to the extent possible.

The parties have therefore agreed to the following process to govern all workforce adjustments in the Claims division between the Implementation Date and the expiry of this Collective Agreement.

CLAIMS HIERARCHY AND SALARY GROUPS:

1. Effective no later than February 1, 2013 [the "Implementation Date"], Appendix "A" of the Collective Agreement shall be amended to include the following positions:

Job Code	Job Title	Salary Group
TBD	Claims Examiner	12
TBD	Senior Injury Adjuster	11
TBD	Injury Adjuster	10
TBD	Claims Adjuster - Commercial	10
TBD	Recovery Coordinator	9

2. Effective no later than the Implementation Date, the following positions will be deleted from Appendix "A":

Job Code	Job Title	Salary Group
320	Estimator	9
197723	Claims Handling Adjuster	8
785	Office Assistant IV	5
448	Bodily Injury Adjuster	11

3. Effective no later than the Implementation Date, Appendix "A" of the Collective Agreement will be amended to reflect the following new job titles but no changes to the salary group:

Job Code	New Title (no change to salary group)	Old Title	Salary Group
325	Senior Claims Examiner	Claims Examiner Head Office	13
354	Claims Examiner Commercial	Commercial Claims Examiner Material Damage	13
117837	Estimator - Specialty Vehicle	Specialty Vehicle Appraiser	11
327	Senior Recovery Coordinator	Rehabilitation Coordinator	11
947	Estimator	Estimator II	10
800	Customer Service Adjuster	Claims Contact Adjuster	8
806	Claims Support Assistant	Office Assistant III and IV	5
805	Claims Document Support Assistant	Office Assistant II	4

4. The parties agree that the salary groups of the jobs listed in paragraphs 1 through 3 above are correct as of the Implementation Date. Job profiles for these positions as of the Implementation Date are attached as Attachment A and except for administrative roles will include the following statement: "an equivalent level of related work experience in lieu of postsecondary education" in the licensing and accreditation section.

REASSIGNMENT OF STAFF TO NEW HIERARCHY:

5. *Grandfathering Protection:* Regular employees who are reassigned to positions in accordance with this LOU shall not suffer any loss of pay or benefits for the duration of the period they remain in their new position. While in their new positions, employees shall receive the same pay and benefits (including negotiated increases) that they would have received had they remained in the same pay band they occupied prior to the Implementation Date. Grandfathering Protection does not expire with the Collective Agreement or this LOU, but continues so long as the employee remains in the reassigned position or moves to the same classification in accordance with paragraph 6.
- a. Any employee who holds the regular position of Claims Examiner Material Damage (SB13), or Claims Examiner Head Office (SB13) will continue to receive the 5% flexible work schedule premium per Article 12.05 b) of the Collective Agreement and in accordance with the Grandfathering Protection described above. New employees hired into these roles on or after the date of ratification will not receive Grandfathering Protection including receipt of premiums.
 - b. Employees described in 5a) who are grandfathered to receive flex premium per Article 12.05 may continue to work a flex schedule only by mutual agreement between employee and management. Those not mutually agreed will be governed by Article 12.06 of the Collective Agreement.
6. In the event an employee protected by virtue of paragraph 5 chooses to move to a different location but in the same job classification subsequent to being reassigned in accordance with this LOU, their salary and benefit protection under paragraph 5 shall continue.
7. In the event an employee protected by virtue of paragraph 5 chooses to move to a different job classification subsequent to being reassigned in accordance with this LOU, their salary and benefit protection under this LOU shall cease, and they shall be paid in accordance with the applicable Collective Agreement provisions, effective on the date they commence their new role.
8. In the event location moves are required as a result of the Transition Period Process, these will be identified and communicated to the Union and employees prior to the Implementation Date. In order to reduce the movement of staff, resulting moves will be identified and offered preferentially to employees in the following order: within a respective headquarters; within a region; within the Corporation.

9. Moves unrelated to the Transition Period Process and positions stated herein may also occur in the normal course of business during and after the Transition Period Process under this LOU has occurred, and would be subject to the terms of the Collective Agreement.

TRANSITION PERIOD PROCESS:

Senior Claims Examiner Positions (SG 13):

10. Before the Implementation Date, all Senior Claims Examiner positions in the Company (with locations) shall be posted for a minimum of five (5) days.
11. The posting shall be open only to employees holding regular positions as Claims Examiner Head Office at the time of the posting, including those in trainee roles for the Claims Examiner Head Office position.
12. Claims Examiner Head Office employees must indicate their interest in a Senior Claims Examiner position within five (5) working days after the posting, otherwise they will not be considered for the position.
13. Applicants will be selected in seniority order.
14. Successful candidates will be selected and informed within five (5) working days after the close of the posting.

Claims Examiner Positions (SG12):

15. Prior to the Implementation Date, all Claims Examiner positions in the Company shall be identified and communicated to the Union.
16. All Claims Examiners Head Office who do not receive a Senior Claims Examiner position will be placed in a Claims Examiner position.
17. Any remaining Claims Examiner positions shall be posted for a minimum of five (5) days.
18. The posting shall be open only to employees holding regular positions as Bodily Injury Adjusters at the time of the posting, excluding BI trainees.
19. Applicants will be selected in accordance with Article 7.03(b) of the Collective Agreement.
20. Successful candidates will be selected and informed within five (5) working days after the close of the posting.

Senior Injury and Injury Adjuster Roles (SG11 and SG10):

21. All Senior Injury Adjuster positions shall be posted for a minimum of five (5) days.
22. The posting shall be open only to employees holding regular positions as Bodily Injury Adjusters at the time of the posting, excluding BI trainees.
23. Applicants will be selected in accordance with Article 7.03 (b) of the Collective Agreement.
24. Successful candidates will be selected and informed within five (5) working days after the close of the posting.
25. Any Bodily Injury Adjusters, including BI trainees, who have not yet been assigned a position, will be placed into the Injury Adjuster role.

Recovery Coordinator (SG 9):

26. All Recovery Coordinator positions shall be posted for a minimum of five (5) days.
27. The posting will be only open to employees holding regular positions as Claims Adjusters, including CA trainees.
28. Selection will occur in seniority order.

Claims Handling Adjusters (SG 8):

29. All regular Claims Handling Adjusters will be provided with one of the following options:

- a. Offer of a position as Claims Adjuster (SG 9); subject to a maximum number established by the Company. Applicants will be selected in accordance with Article 7.03(b) of the Collective Agreement.

Or,

- b. Placement in a position of Customer Service Adjuster (SG 8) if the applicant does not qualify for the offer of Claims Adjuster or if the offer of Claims Adjuster is refused or, if there are insufficient Claims Adjuster positions to accommodate all qualified Claims Handling Adjusters.

Claims Adjusters:

All Claims Adjusters will remain in their current role. Movement of Claims Adjusters to different locations as a result of the Transition Period Process may be necessary to balance business needs. All such relocations shall be handled in accordance with this LOU.

Claims Adjusters – Commercial (SG10):

30. All Claims Adjuster - Commercial positions shall be posted for a minimum of five (5) days.

31. The posting will be only open to employees holding regular positions as Claims Adjusters, excluding CA trainees. Applicants will be selected in accordance with Article 7.03(b) of the Collective Agreement

Estimators:

32. Estimator IIs (SG10; job code 947) positions will be re-titled Estimator, with no change to salary group or job code.

33. Incumbents of Estimator (SG 9; job code 320) positions will be reclassified to Estimator (SG 10; job code 947).

Administrative Positions:

34. Office Assistant IIIs and IVs (SG 5) positions will be re-titled Claims Support Assistant (SG 5; job code 806).

35. Office Assistant IIs (SG 4) positions will be re-titled Claims Document Support Assistant (SG 4; job code 805).

Miscellaneous Positions:

36. Commercial Claims Examine Material Damage (SG 13, job code 354) will be re-titled Claims Examiner Commercial with no change to salary group or job code.

37. Specialty Vehicle Appraiser (SG 11, job code 117837) will be re-titled to Estimator – Specialty Vehicle, with no change to salary group or job Code.

38. Claims Contact Adjuster (SG 8, job code 800) will be re-titled Customer Service Adjuster with no change to salary group or job code.

39. Rehabilitation Coordinator (SG 11, job code 327) will be re-titled Senior Recovery Coordinator, with no change to salary group or job code.

NO SEVERANCE:

40. It is the object of the Transition Period Process under this LOU that every affected regular employee will be placed, reassigned or reclassified, with full “grandfathering” salary protection pursuant to paragraph 5 of this LOU. As a result, severance is not an option available to employees placed or reassigned under this process, subject only to paragraphs 42, and 43 below.

FUTURE WORKFORCE REDUCTIONS:

41. After the Implementation Date, workforce reductions as a result of the introduction of new systems and processes in the Claims Division shall be accomplished in accordance with the Collective Agreement.

42. After the Implementation Date and following completion of the Transition Period Process described above, if there are fewer positions than regular employees, the Collective Agreement will apply.
43. In order to facilitate reductions by attrition the parties agree that the Employer may extend the length of temporary and acting appointments up to eighteen (18) months, for the duration of the Collective Agreement for the following positions:
- a) Supervisor, Claims Administration
 - b) Supervisor, Telephone Claims
 - c) Supervisor Material Damage
 - d) And all of the positions covered by this Letter of Understanding
44. Where not altered by this LOU, the terms of the Collective Agreement applies.

For the Union

J. Zygmunt

Date: November 2, 2012

For the Corporation

B. Hale

Date: November 2, 2012