

AFTER THE CLAIM

Ontario Mandatory Vehicle Branding Program: What happens if my vehicle is severely damaged?

On March 31, 2003, the Ontario government mandated the branding of *all* severely structurally damaged vehicles in Ontario.

The Vehicle Branding Program is aimed at making roads safer and countering motor vehicle fraud and theft. The program's major objectives are to:

- enhance road safety by ensuring proper repair of "salvage" vehicles;
- protect consumers in the vehicle marketplace;
- make the use of stolen vehicles more difficult;
- make stolen parts more difficult to re-use;
- minimize the fraudulent use of VINs from wrecked vehicles; and
- promote insurance rate stability.

These are the four different brands used:

Irreparable - a vehicle that can be used for parts or scrap only. This vehicle *cannot* be driven in Ontario.

Salvage - a vehicle that can be repaired and is subject to inspection criteria approval.

Rebuilt - a vehicle that was branded as "salvage," but has been rebuilt and inspected in accordance with regulatory criteria.

Stolen - this brand can only be assigned or cancelled by police. It is assigned to a vehicle that is stolen and not recovered by police. This brand makes it more difficult for thieves to register stolen vehicles because it prevents thieves from putting the VINs from wrecks onto stolen cars.

The following vehicles are exempt from the vehicle branding program:

Trailers, traction engines, farm tractors, road-building machines, bicycles, motor-assisted bicycles, motorized snow vehicles, street cars and motorcycles (other than motorcycles that are irreparable) or motor vehicles with a model year of 1980 or earlier.

What if I want to keep my damaged vehicle after a claim?

When your vehicle is a total loss, the insurance company will offer you a cash settlement, then brand and take ownership of your vehicle. If you want to keep your vehicle, your settlement will be reduced by the amount the insurer could get from a salvager for the damaged vehicle.

Before you decide to keep your vehicle, consider the following:

- If a vehicle is branded as "irreparable", it can only be used for parts. It can never be repaired and driven.
- If a vehicle is branded "salvage" it can be fixed, but must go to an inspection station and pass rigid safety standards to be reclassified as "rebuilt" and used on the road. The cost of the inspection is usually over \$250. The vehicle must also be towed to the inspection station and towed away again if it does not pass inspection. The quality of any repairs must meet the standards of the "rebuilt" classification. Also, fees for the Safety Standards and Drive Clean Emission Certificates will apply.

- Considering all the costs involved, it's not recommended that you keep a vehicle that is branded "salvage." There have been situations where an owner has spent a lot of money having the vehicle repaired, only to find out later that it does not meet the "rebuilt" standards and cannot go back on the road.

Branding reduces fraud

When you purchase a used vehicle, you may request a used car package from MTO that gives information on the vehicle's past owners. If the ownership was ever in the name of an insurance company, it's usually because the vehicle has been branded.

Brands are registered by the VIN of the vehicle. The brand is displayed on the vehicle permit issued by MTO in Ontario or the licensing authorities in other provinces.

If a vehicle was branded as "salvage" and reclassified as "rebuilt", you know that the vehicle has passed a rigid inspection after being repaired and is safe to drive

This program greatly reduces fraud. Many unsuspecting consumers have purchased stolen vehicles and later had them seized by the police with little hope of recovering the money they paid for the vehicle. Branding offers greater consumer protection as more and more vehicles are entered into the system and their histories are tracked. This makes it easier to tell whether or not a car has had a questionable history.