



## MANDATORY VEHICLE BRANDING PROGRAM SUMMARY

### PROGRAM REQUIRES:

All insurers and other designated parties: (e.g., new & used vehicle dealers, auto recyclers, salvagers, importers, auctioneers, self-insurers, individuals and any person who buys, sells, wrecks or otherwise deals in used motor vehicles) to identify vehicles that are severely damaged ("write-offs") and report a brand of "Irreparable" or "Salvage" to the Ministry of Transportation to be included on the vehicle record.

Damaged vehicles must meet the total loss definition before branding is considered. The vehicles must then meet the definition of either "Irreparable" or "Salvage" in order to be branded.

### DETERMINING IF A VEHICLE IS A TOTAL LOSS:

A vehicle must be declared as a **total loss**\* ("write-off") as the first trigger to be included in the Mandatory Vehicle Branding Program.

The vehicle must then meet the definition of either "Irreparable" or "Salvage" to be branded.

*\*(A total loss vehicle is a vehicle that has been damaged by collision, impact, fire or flood, or has been stolen and dismantled, such that the estimated cost of repairing it exceeds the difference between the fair market value of the vehicle immediately before it was damaged or stolen and its salvage value. "Salvage value" means the value of a damaged vehicle that is legitimately recoverable through commercial means of disposal.)*

### WHO DETERMINES THE BRAND:

Insurance companies, self-insurers, importers, salvagers, auctioneers or anyone who deals in second hand motor vehicles are required to determine whether a severely damaged vehicle is "Irreparable" or "Salvage".

Individual vehicle owners who do not receive a claim settlement through their insurance company for a severely damaged vehicle or a company with 9 vehicles or less must have the brand determined by an authorized mechanic in a **Type 6 Motor Vehicle Inspection Station**.

The vehicle brand must be reported to the Ministry of Transportation on the Notification of Vehicle Brand form where the brand will be added to the Vehicle Registration System computer database.

### EXEMPTIONS:

Vehicles with a model year of 1980 or earlier, trailers, tractor engines, farm tractors, road building machines, bicycles, motor assisted bicycles, motorized snow vehicles, street cars, and motorcycles (motorcycles qualify only for the "Irreparable" brand.)

### VEHICLE BRANDING:

Vehicle "branding" refers to the process whereby the Ministry of Transportation places an identifier in the ministry's Vehicle Registration System (VRS) computer database to classify the condition of a vehicle.

The vehicle “branding” process more accurately identifies the condition/status of severely damaged vehicles. The brands are included in the vehicle registration file and, with the exception of the “stolen” flag, are printed on registration permits, vehicle histories, and Used Vehicle Information Packages. These items can be purchased from any Driver and Vehicle Licence Issuing Office or ServiceOntario self-service kiosk.

The Used Vehicle Information Package has recently been enhanced to include not only the vehicle brand, but also their definitions.

## **BRANDS:**

### **“IRREPARABLE”**

When at least 3 or more of the structural assemblies in the occupant compartment require REPLACEMENT the vehicle brand is “Irreparable”.

The vehicle permit shows the brand as “*Irreparable*” in the upper left corner, and the vehicle status is identified as “*unplated*” and “*unfit*”.

#### **Replacement of:**

1. Occupant compartment which extends from the front door hinge pillar assemblies to the rear most cross-member of the vehicle. Requires five or more structural assemblies listed in parts 2, 3 & 4 of the schedule.
2. Occupant compartment which extends from the front-most cross member of the vehicle to the rear most cross member. Seven or more of the structural assemblies listed in parts 1,2,3 and 4 of the schedule.
3. Vehicle other than described above, require three or more assemblies in Parts 2 and 4.
4. If the fire wall assembly or bulkhead assembly requires replacement the vehicle is automatically “*Irreparable*”.

**NOTE:** If the vehicle is a full frame vehicle and the Full Frame Assembly requires replacement, it must be included in the calculation as one assembly requiring replacement when determining the vehicle brand in addition to the number of structural assemblies requiring replacement in the occupant compartment.

### **“SALVAGE”**

When one or more of the structural assemblies listed in Parts 1, 2, 3 & 4 (see attached) of the schedules requires REPLACEMENT, the vehicle brand is “Salvage”.

Salvage vehicles may be safely repaired for on-road use. The vehicle must undergo and pass a structural inspection performed at a licensed Type 6 structural inspection station. A Safety Standard Certificate is required and a Drive Clean inspection may also be required before being licensed.

The vehicle permit shows the brand “*Salvage*” in the upper left corner and the vehicle status is identified as “*unplated*” and “*unfit*”.

**NOTE:** If the vehicle is a full frame vehicle and the Full Frame Assembly requires replacement, it must be included in the calculation as one assembly requiring replacement when determining the vehicle brand in addition to the number of structural assemblies requiring replacement in the occupant compartment.

## **“REBUILT”**

Vehicle that was classified as “Salvage” by the Registrar and has been issued a valid Structural Inspection Certificate.

The vehicle permit shows the brand “*Rebuilt*”, and it will not be “*fit*” and “*plated*” until a Safety Standard Certificate has been issued. The vehicle may also be required to pass a Drive Clean emissions test.

A “*Rebuilt*” vehicle with a status of “*unfit*” can only be operated on a highway if it is in safe condition and has a dealer and service plate attached.

## **“NONE”**

All vehicles, unless they are branded “Salvage”, “Irreparable”, or “Rebuilt” will have a brand “None” that is visible on the vehicle permit.

A brand of “None” will also be assigned even if the vehicle is damaged and is defined as a total loss but does not have damage that requires the replacement of structural assemblies.

## **REASSEMBLED VEHICLE:**

A motor vehicle that is assembled using the body of a motor vehicle with a model year of 1981 or later and the chassis frame assembly of a different vehicle, both of which were manufactured utilizing a full frame assembly as part of the vehicle’s structure.

Full Frame - vehicle utilizes a separate frame that extends from the front to the rear of the vehicle to support the body and chassis components.

Reassembled vehicle:

- When first registering a reassembled vehicle as “Rebuilt”, the vehicle will automatically be branded as “Salvage”.
- The vehicle will then be required to undergo a structural inspection as well as a safety inspection before the brand is changed to “Rebuilt” and registered as “FIT”.
- All reassembled vehicles will receive a purple permit with a faint “Reassembled” watermark on the permit.

## **SALVAGE VALUE:**

The value of a damaged, flooded, or stolen and dismantled vehicle that is recoverable through commercial means of disposal. If the vehicle is purchased by an autowrecker, salvager or dealer – that value is the price paid for the vehicle.

## **INSURER:**

- a) An insurer as defined in the Compulsory Automobile Insurance Act; or
- b) A person or company who owns, leases or holds the plate portion of the vehicle permits for 10 or more vehicles the policies of insurance for which do not cover damage caused by all perils.

## **OTHER DESIGNATED PERSONS:**

Individuals or companies with 9 or less vehicles are required to have their damaged vehicles assessed and vehicle brands determined by a Type 6 Motor Vehicle Inspection Station.

### **INSPECTION OF VEHICLE:**

The person making the determination that a vehicle (other than motorcycle) is "Irreparable" or "Salvage" on behalf of the individual or company who owns 9 vehicles or less must hold:

- A valid certificate of qualification under the "Apprenticeship & Certification Act, 1998" as an:

- Automotive Service Technician;
- Truck and Coach Technician; or
- Auto Body and Collision Damage Repair Technician  
(Certificate issued by the Ontario Ministry of Training, Colleges & Universities)

- And is employed by a motor vehicle inspection station with a Type 6 licence.

The person making the determination that a motorcycle is "Irreparable" must hold a valid certificate as a:

- Motorcycle Technician
- Automotive Service Technician
- Truck & Coach Technician or
- Auto Body & Collision Damage Repair Technician

- And is employed by Motor Vehicle Inspection Station with a Type 4 or Type 6 licence.

### **REPORTING VEHICLE BRANDS TO MTO:**

Insurers reporting to MTO's Registrar of Motor Vehicles must report on the required Notification of Vehicle Brand form within:

- 6 days from becoming the owner of the vehicle (settlement); or
- 14 days from date of settlement, if the insurer does not acquire ownership of the vehicle

If the insurer is a person or company who owns, leases or holds the plate portion of the vehicle permits for 10 or more vehicles the policies of insurance for which do not cover damage caused by all perils they must report to the Registrar on the required Notification of Vehicle Brand form within:

- 6 days after the date of the incident giving rise to the determination of the brand.

The individual or company with 9 vehicles or less must report to the Registrar on the required Notification of Vehicle Brand form within:

- 26 days from date of incident.

### **CHANGING THE BRAND "SALVAGE" TO "REBUILT":**

The vehicle must have successfully passed an inspection in accordance with the requirements in Ontario's Regulation 611 of the *HTA* and have been issued a Structural Inspection Certificate (SIC). The owner must then submit the SIC and vehicle permit to a Ministry of Transportation licensing office. Once accepted and approved, the "Salvage" brand will be changed to "Rebuilt". This process helps ensure that damaged vehicles are repaired to meet minimum prescribed standards before being allowed back on the road.

Once the "Rebuilt" brand is placed on the vehicle registration file, a Safety Standards Certificate must be obtained from any Motor Vehicle Inspection Station in order for the vehicle to be declared "fit". A Drive Clean certificate may also be required before the vehicle can be plated and legally operated.

### **BUYING A USED VEHICLE:**

When buying a used vehicle from an individual or an unlicensed dealer, you should always ask to see the Used Vehicle Information Package (UVIP) (brands are indicated and defined in the UVIP), and enquire further if a brand is shown. This process provides you with information that will indicate whether or not the vehicle has sustained structural damage and had been determined a financial total loss.

### **BRINGING OR IMPORTING VEHICLES TO ONTARIO:**

Vehicle brand information from other Canadian or US jurisdictions when equivalent will be carried forward when these vehicles are registered in Ontario with the exception of the "Rebuilt" brand. Imported vehicles with a Rebuilt designation or its equivalent from other Canadian or US jurisdictions will be registered as "Salvage" in Ontario thus requiring them to undergo a structural inspection to ensure that the vehicle has been properly repaired before being branded as "Rebuilt" in Ontario.

### **"TYPE 6" MOTOR VEHICLE INSPECTION STATION:**

A collision repair facility that is licensed by the province of Ontario that employs registered and certified technicians who are able to assess the structural integrity of a vehicle. A list of Type 6 stations may be found on the MTO public website at [www.mto.gov.on.ca](http://www.mto.gov.on.ca).

### **WHO ENFORCES THIS PROGRAM:**

Ministry of Transportation enforcement officers and law enforcement agencies in the province are responsible for enforcing the mandatory vehicle branding program. Individuals or companies that do not comply with the mandatory vehicle branding requirements may face enforcement action. The ministry will work with the law enforcement community to deter the incidence of stolen vehicles and fraudulent registration of severely damaged vehicles.

### **"WRK" STATUS:**

A vehicle that is in the possession of a wrecker or recycler that has no additional value as a motor vehicle and has been shredded, crushed or baled qualifies for a "WRK" status. A vehicle with the "WRK" status will automatically have the "Irreparable" brand applied to the vehicle file.

### **BECOMING A STRUCTURAL INSPECTION STATION:**

#### **Steps to be taken:**

- 1) Fill out an application form available from MTO;
- 2) The facility must be successfully inspected by a MTO Inspector to ensure the facility meets or exceeds the license requirements;
- 3) The facility must hold business registration documents;
- 4) The facility must provide proof that the premises are owned or leased by the applicant;
- 5) The facility must comply with all local municipal bylaws or municipal business license;
- 6) The facility must employ a person holding a valid 310B Collision Repair and Autobody Trades Certificate;
- 7) The facility must have sufficient space for the inspection of at least one vehicle of the class that the licensee is licensed to inspect;

- 8) The facility must have industry accepted equipment capable of making three-dimensional measurements on unibody and non-unibody vehicles.
- 9) The facility must have devices suitable for safely supporting the vehicle during inspection; and
- 10) The facility must retain a recognized source of manufacturer's specifications for vehicle dimensions for every make, model and year of vehicle to be inspected.

#### **FEES TO BECOME AN INSPECTION STATION**

- License fee to become a Structural Inspection Station is \$50 per year (\$25 after July1)
- The registration fee for each technician is \$14 per year (\$7 after July 1)
- Structural Inspection Certificate Form will cost \$5 each, Sold in books of ten and will come with 15 copies of the "revised" Rebuilt Vehicle Parts Audit Form

#### **VEHICLES THAT CAN BE INSPECTED:**

- Ontario registered vehicles branded "SALVAGE"
- Vehicles from any state in the USA, or from any province outside Ontario that are branded with an equivalent to Ontario brand of "Salvage" or "Rebuilt".

#### **PENALTIES:**

- Failure to comply with the *Highway Traffic Act* and its accompanying Regulations may result in convictions carrying substantial penalties.