



CAMVAP
PAVAC

2018

Annual Report

Canadian Motor Vehicle Arbitration Plan

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MEMBER ORGANIZATIONS

Canadian Automobile Dealers Association (CADA)
Canadian Vehicle Manufacturers' Association (CVMA)
Consumers' Association of Canada (CAC)
Global Automakers of Canada (GAC)

The Governments of:

British Columbia
Alberta
Saskatchewan
Manitoba
Ontario
Quebec
New Brunswick

Nova Scotia
Prince Edward Island
Newfoundland and Labrador
Yukon
Northwest Territories
Nunavut

BOARD OF DIRECTORS

2018

David Adams (GAC)
Greg Basham (CAC)
Gary Frost (G)
Denny Huyghebaert (G)
Mark Nantais (partial year) (Chair) (CVMA)
Tim Ryan (CADA)
Laura Stante (GAC)
Peggy Stokes (CVMA)
Trevor Todd (partial year) (Chair) (CAC)
Glen Padassery (G)
Adam Peters (G)

STAFF

Stephen Moody (General Manager)
Silva Chan (Program Coordinator)
Lillian Lian (Bookkeeper/Administrative Assistant)

PARTICIPATING MANUFACTURERS

The following vehicle manufacturers representing more than 94% of annual vehicle sales endorse the Canadian Motor Vehicle Arbitration Program (CAMVAP). For 24 years, CAMVAP has been an effective forum for manufacturers and consumers to resolve disputes related to consumer allegations of manufacturer defects or the implementation of the manufacturer's new vehicle warranty.

FCA Canada Inc.

Ford Motor Company of Canada, Limited

General Motors of Canada Company

Honda Canada Inc.

Hyundai Auto Canada Corp.

Jaguar Land Rover Canada ULC

KIA Canada Inc.

Mazda Canada Inc.

Mercedes-Benz Canada Inc.

Nissan Canada Inc.

Porsche Cars Canada, Ltd.

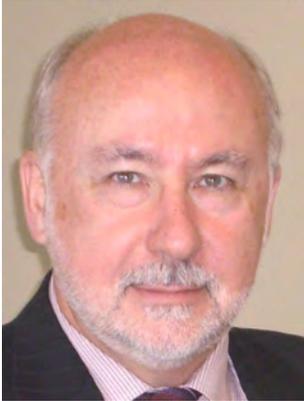
Subaru Canada Inc.

Toyota Canada Inc.

Volkswagen Group Canada Inc.

Volvo Car Canada Limited

LETTER FROM THE CHAIR



In its 24th year of operation, CAMVAP continues to effectively provide an alternative dispute resolution process for alleged vehicle manufacturing defects and warranty disputes between consumers and manufacturers. The arbitration program delivers its impartial services in all provinces and territories of Canada. It is free for consumers to use and it is fully paid for by the automotive industry. The program's vision is to deliver the plan in a manner that is fair, fast, friendly, free and final.

CAMVAP is governed by a Board of Directors that includes members from the provincial and territorial governments, the Consumers' Association of Canada, the Canadian Automobile Dealers Association of Canada, the Canadian Vehicle Manufacturers' Association and the Global Automakers of Canada. Managed by a national head office, which in partnership with several service providers across Canada, administers the program at the provincial level. The arbitrators are also independent service providers who provide their services to CAMVAP on a fee for service basis.

CAMVAP is continually looking for ways to improve and update its service delivery performance. An important step was taken in this report period with the implementation of a more advanced Claims Management System that allows consumers to access the program at any time of the day and to manage their claim filing directly. The consumer also has direct access to the program's provincial administrators. Many of these changes are in response to the need for more timely information and the fact that about 98 % of consumers start the process on line.

Two meaningful changes were also made to the program's agreement for arbitration in 2018: an increase to the maximum amount allowed for documented consumer expenses from \$500 to \$1,000, and a change to the buyback formula that increased the amount available to the consumer when a buyback is ordered. Both these changes benefit consumers who received these two types of awards through the CAMVAP process.

Updating the training of new arbitrators continues to be one of the goals for the program in the months ahead. These professional arbitrators and the quality of their decisions are key to the program's success and they are in most cases, the only person that the consumer will meet from the program. Another process priority is to improve the time it takes for consumers to complete the CAMVAP process. The complexity of a case has a direct effect on overall case timing. Some cases are relatively simple and straightforward, while others for legitimate reasons may take longer to complete.

The program's directors, staff, administrators, arbitrators and other service providers are all dedicated to achieving the goal of providing a strong, effective, and neutral arbitration program. Their contribution and commitment to the program is what makes it effective and for 24 years now, it has a solid track record of success.

A handwritten signature in black ink, appearing to read 'Mark Nantais', followed by a period.

Mark Nantais

CANADIAN MOTOR VEHICLE ARBITRATION PLAN

The Canadian Motor Vehicle Arbitration Plan publishes annual reports so that the public and participants in the CAMVAP process are made aware of the results achieved by the parties to CAMVAP arbitrations. Read the results carefully as they clearly show that the program works.

CAMVAP is supported and funded by the automobile manufacturers. The 13 Provincial and Territorial Government representatives participate in the program's governance along with the Consumers' Association of Canada that represents consumer interests at the Board of Directors level. Canada's authorized new vehicle dealers are also represented on the program's Board of Directors.

CAMVAP is a neutral dispute resolution program. The program's job is to put consumers and manufacturers together with an arbitrator who will hear the case and consider both the consumer and the manufacturer's arguments in order to make a final decision.

The program operations are the same in every province and territory. No matter where the consumer lives in Canada they will receive the same high quality level of service provided by our Provincial Administrators with the Agreement for Arbitration being consistently applied across the country.

CAMVAP considers both the consumer and the manufacturer to be its clients with our job being to provide the best service we can. Throughout this report you will see that the program achieves that objective.

CANADIAN MOTOR VEHICLE ARBITRATION PLAN

CONSUMER ACCESS TO THE PROGRAM

The Canadian Motor Vehicle Arbitration Plan is a national dispute resolution program through which disputes between consumers and vehicle manufacturers - related to allegations of manufacturing defects or how the manufacturer is implementing the new vehicle warranty - can be resolved through binding arbitration.

Consumers can access CAMVAP through the program's website at www.camvap.ca or by contacting the Provincial Administrator for their province or territory using the program's toll-free number 1-800-207-0685.

Consumers are encouraged to work with the dealers and the manufacturers of their vehicles. Doing so is, in fact, a requirement of the program. The CAMVAP website provides information for consumers about how the program works and how to access the program when issues cannot be resolved.

CAMVAP AWARD STATISTICS

Consumers can view CAMVAP's award statistics on the CAMVAP website. These statistics are compiled on an annual basis and show the cases handled through CAMVAP by make, model year, vehicle model along with the type of complaint and the remedy ordered by the arbitrator.

RELEVANT PROVINCIAL AND TERRITORIAL LEGISLATION

The CAMVAP Agreement for Arbitration, together with the Arbitration Act and the applicable consumer protection legislation in the Province or Territory where the Arbitration is held, governs CAMVAP cases. In Québec, the Agreement for Arbitration along with the Civil Code governs arbitrations.



CANADIAN MOTOR VEHICLE ARBITRATION PLAN

PROGRAM GOVERNANCE

CAMVAP is a federally incorporated not-for-profit corporation. Its operations are the product of long-term contractual agreements between the associations representing the vehicle manufacturers, the Consumers' Association of Canada, the new vehicle dealers and the thirteen provincial and territorial governments. The program is fully paid for by the manufacturer members of the Canadian Vehicle Manufacturers' Association and the Global Automakers of Canada. Consumers are represented by the Consumers' Association of Canada and the dealers are represented through the Canadian Automobile Dealer Association.

CAMVAP's success results from the program addressing the needs of both consumers and vehicle manufacturers when all other means of dispute resolution fail. The program has retained the commitment of its stakeholders for more than twenty years. The fact that the program is a voluntary initiative means that it continually evolves over time to more effectively address the needs of its collective stakeholders.

The CAMVAP Board of Directors provides overall governance and direction for the program and monitors its ongoing effectiveness. Program operations are managed through the General Manager and with two staff from a Toronto head office.

The CAMVAP team includes Provincial Administrators in six locations across the country. These administrators, who, while part of the CAMVAP team, are independent organizations that provide contract services to CAMVAP. They work to ensure that the consumer and the manufacturer are treated fairly and equitably throughout the arbitration of each and every case. The arbitrators used by CAMVAP are also independent from the program and provide their services on an as needed basis. CAMVAP roster arbitrators are located in all regions of Canada and are assigned cases within their region and occasionally outside their region as program needs require.



CANADIAN MOTOR VEHICLE ARBITRATION PLAN

CAMVAP ARBITRATORS

The arbitrators who provide services to CAMVAP come from many backgrounds and professions and are completely independent from the program. The manufacturers are not involved in their appointment to the CAMVAP roster, their training, or their selection to hear cases. The arbitrators are paid a flat fee plus expenses for each case that they conduct.

When a case is set to go to arbitration, the Provincial Administrator selects the next arbitrator on the roster who is available to hold a hearing in the consumer's community. A brief résumé for the arbitrator is sent to the consumer and the manufacturer.

PROVINCIAL ADMINISTRATORS

The public face of CAMVAP is the Provincial Administrators who deliver the program across Canada. The Provincial Administrators are responsible for receiving and responding to inquiries, processing claim forms and applications for arbitration, scheduling hearings and technical inspections and communicating the results of hearings to the parties. All consumer inquiries to CAMVAP are handled by the Provincial Administrators. The Provincial Administrators are paid a fee to provide service to CAMVAP and an additional fee for each case handled.

CAMVAP ANNUAL REPORTS

Previous annual reports can be found, in both official languages, on the CAMVAP website at www.camvap.ca or www.pavac.ca.



2018 PROGRAM RESULTS

2018 CASES HANDLED

The number of arbitrated cases handled in 2018 was down by 1 case or 0.49% below 2017 results. Conciliated cases were up by 9 cases or 33.33% above 2017 results. Consent awards were up by 4 cases or 57.14% above 2017 results. When the arbitrated, conciliated and consent cases are combined the 2018 total of 205, when compared to the 206 cases handled in 2017 is down 0.49%.

In addition to these cases, 187 consumers initially contacted CAMVAP and started the process and then withdrew from the process before the arbitration was set up. 31 cases were found by the arbitrator to be ineligible.

Province/Territory	Number of Arbitrated Cases	Number of Conciliated Cases	Number of Consent Cases	Total
British Columbia	10	1	0	11
Alberta	32	3	1	36
Saskatchewan	3	2	0	5
Manitoba	5	0	0	5
Ontario	69	21	2	92
Québec	27	5	5	37
New Brunswick	3	1	0	4
Nova Scotia	2	3	1	6
Prince Edward Island	0	0	0	0
Newfoundland & Labrador	5	0	2	7
Northwest Territories	2	0	0	2
Nunavut	0	0	0	0
Yukon Territories	0	0	0	0
2018 Totals	158	36	11	205

Arbitrated cases are those that proceed to a hearing at which the arbitrator makes an award based on the evidence presented by the parties.

Conciliated cases are those when the consumer and the manufacturer agree to resolve the issues without the need for a hearing.

Consent cases are those when the consumer and manufacturer agree on a settlement at the arbitration hearing and the arbitrator records the agreement in the "award".

2018 INQUIRY PROGRESSION

The CAMVAP Provincial Administrators handled 3,033 new enquiries in 2018 which is 18.27% above the 2017 result of 2,479 and the highest since 2016. Qualification Worksheets, which are an internal form that is used to start a CAMVAP case, were also up at 803 which is an increase of 86 or 10.71% above the 2017 results. Of the 606 claim forms sent to program eligible consumers 356 were returned to CAMVAP by the consumer. This is up 12.36% from 2017 and represents a return rate of 59% which is similar to that in 2017.



3,033

Inquiries



803

Worksheets
Processed



606

Claim Forms
Mailed



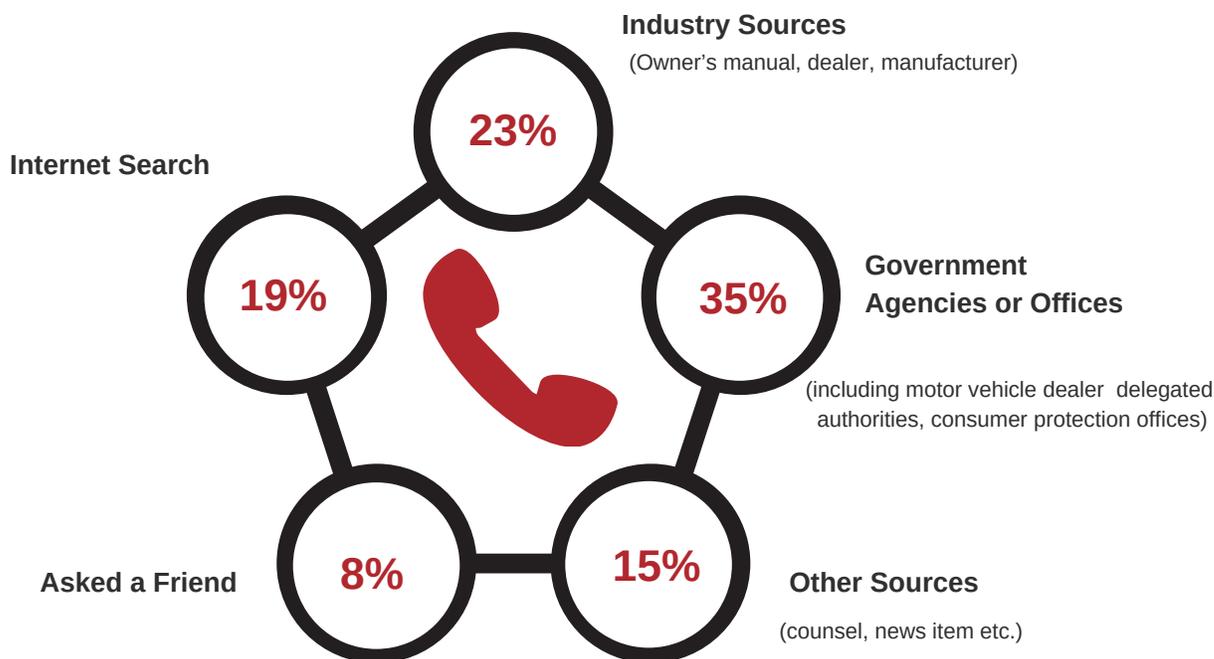
356

Claim Forms
Returned

2018 PROGRAM RESULTS

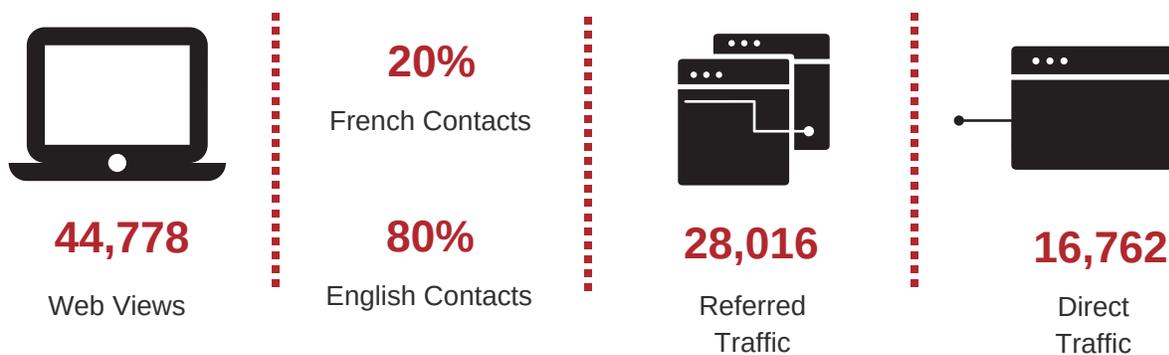
INITIAL CONTACT WITH THE CAMVAP PROVINCIAL ADMINISTRATOR

Consumers are asked how they found out about CAMVAP on their first telephone contact with the program's administrators. This information is manually collected by the provincial administrator and then collated by the head office.



CAMVAP WEBSITE STATISTICS

The CAMVAP website is available in both English and French languages. The CAMVAP website is multi-purpose and includes information about the program and an access portal to the Claims Management System where CAMVAP cases are managed and a member's area for member and board of director's communications.



2018 PROGRAM RESULTS

CLAIMS MANAGEMENT SYSTEM

CAMVAP launched a custom developed Claims Management System on November 1, 2016. The CMS is available in English and French and gives the consumer and the manufacturer much better access to the program. The consumer can start their application directly from the 'My Claim' button on the website and can track their application throughout the process.



970

CMS Accounts Created

2018 CAMVAP AWARD RESULTS

(Based on 158 Arbitrated cases and 11 Consent Award Cases. There are multiple awards in some cases)

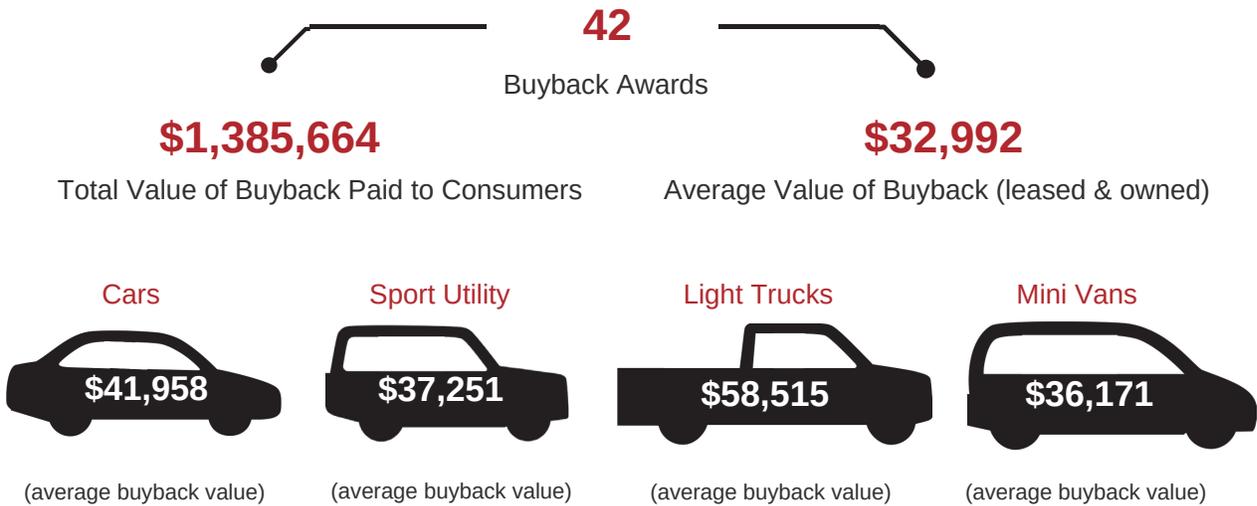
Province/Territory	Buyback With Reduction for Use	Buyback With No Reduction for Use	Reimbursement for Repairs	Make Repairs	Out-of-Pocket	Other	Arbitrator has No Jurisdiction	Manufacturer has No Liability in all Matters Brought Forward	Number of Awards Issued
British Columbia	3	0	0	4	1	4	0	3	15
Alberta	8	4	0	8	3	0	1	13	37
Saskatchewan	0	0	0	0	0	0	0	3	3
Manitoba	2	0	0	2	0	0	0	1	5
Ontario	11	4	2	19	2	5	0	40	83
Québec	5	0	1	8	3	6	1	15	39
New Brunswick	1	0	1	2	2	0	0	0	6
Nova Scotia	0	1	0	1	0	1	0	0	3
Prince Edward Island	0	0	0	0	0	0	0	0	0
Newfoundland & Labrador	2	0	0	3	0	1	0	1	7
Northwest Territories	0	1	0	1	0	0	0	0	2
Nunavut	0	0	0	0	0	0	0	0	0
Yukon Territory	0	0	0	0	0	0	0	0	0
TOTALS	32	10	4	48	11	17	2	76	200

There were 76 full no liability awards issued in 2018. Overall, this means that consumers were successful with all or part of their claim 55.0% of the time when the case fully goes to arbitration. This is down 2.8% from 2017. When the 36 Conciliated cases are added to the total number of Arbitrated and Consent cases (205), consumers were successful in 62.9% of the cases.

2018 PROGRAM RESULTS

2018 BUYBACK AWARDS

There were 13 less buybacks in 2018 when compared to the 55 buybacks ordered in 2017. The total value of buybacks had decreased by \$453,894. The average, per vehicle award, had increased by \$2,692. Buybacks were awarded in 24.85% of the Arbitrated and Consent cases.



2018 REIMBURSEMENT FOR REPAIR AWARDS

CAMVAP handled 1 less Reimbursement for Repair case as was handled in 2017. The value of the reimbursements and the average reimbursement per claim varies significantly upon the overall expense of the repair claims.



2018 OUT OF POCKET ALLOWANCE

This category of awards covers reasonable and documented expenses that occur prior to the hearing including vehicle rentals, diagnostic testing, accommodation, towing, taxis and weigh scale fees. Under changes to the Agreement for Arbitration implemented in December 2011, a separate award for diagnostic testing was established with consumers now being eligible to claim up to \$500 for diagnostic expenses completed prior to the hearing. Under changes to the Agreement for Arbitration implemented in September 2018, consumers are now eligible to claim up to \$1,000 for out of pocket expenses.

Payment for diagnostic testing was awarded in 7 cases. A total of \$1,187 or an average of \$170 per case was awarded.



2018 PROGRAM RESULTS

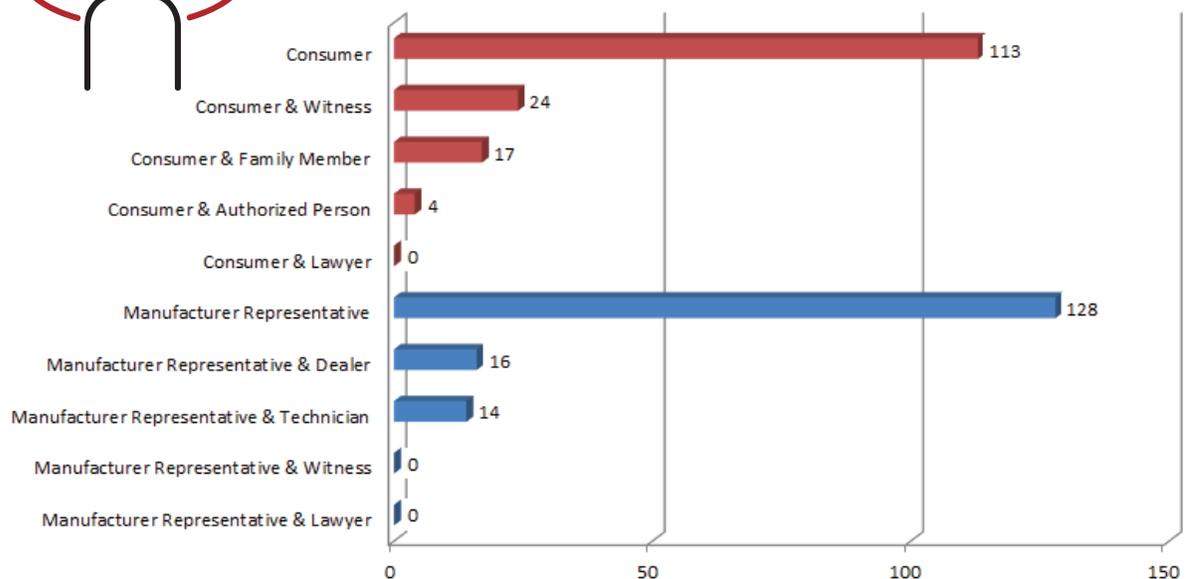
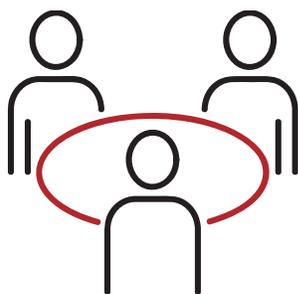
2018 VEHICLE TYPES AND CONSUMER CONCERNS

Distribution of vehicle issues was once again relatively consistent with previous years. This chart is based on 158 arbitrated and 11 consent awards.

	Total Cases	Accessories	Air/ Heat/ Cool	Brakes	Computer/ Electrical	Engine	Exterior	Interior	Steering/ Suspension	Transmission	Total Complaints
Cars	67	9	1	2	19	21	10	4	9	13	88
Light Trucks	27	1	0	4	7	8	7	2	11	7	47
Mini Vans	2	0	0	0	0	1	1	0	1	1	4
Sport Utility	73	1	12	3	23	35	12	6	11	10	113
TOTALS	169	11	13	9	49	65	30	12	32	31	252

2018 WHO APPEARS AT CAMVAP HEARINGS?

The 2018 results show an increase of consumer and witness representation at hearings as well as a decrease of lawyer representation.



2018 PROGRAM RESULTS

2018 CASE TIMING

Overall case timing in 2018 decreased to 84.77 days. With four cases that are over 250 days excluded, the average case handling time is 79.09 days. 79 cases or 47% of the arbitrated and consent cases were completed within 70 days. Cases have become complex with more cases that include eligibility hearings and technical inspections - 39 cases included one or more technical inspections. These changes have a direct effect on case timing. The impact of eligibility hearings on case timing can now be accurately calculated. It is discussed below.

2018 ELIGIBILITY HEARINGS

With more detailed statistical information now available through the Claims Management System, the impact of Eligibility Hearings can be determined and reported upon. These hearings are normally conducted by teleconference to determine if a vehicle is eligible for CAMVAP. If the vehicle is eligible for CAMVAP then a hearing on the merits of the case will follow at a later date. If the vehicle is determined to be ineligible the case is closed.

There were 53 cases or 31% of the 169 cases completed in 2018 where an eligibility hearing was held.

Of the cases with eligibility hearings conducted as part of the process, 60% were found to be eligible to proceed to a hearing on the merits and 40% were found not eligible for CAMVAP (98 eligibility hearings, 59 claim approved, 39 ineligible).

When grouped together these cases took 81 days on average to complete. 59 eligible cases averaged 98 days and 39 ineligible cases averaged 55 days to complete. The growth of eligibility hearings as part of the CAMVAP process has a significant impact on CAMVAP's overall timing.

CONTACT INFORMATION

The CAMVAP toll-free service at 1-800-207-0685 will connect consumers with the proper Provincial Administrator based on the area code from which the consumer is calling. It is the number that should be used by consumers to contact the program. The local numbers below are shown for reference and local calls only.

Atlantic Canada

Better Business Bureau of the Atlantic Provinces Inc.
7071 Bayers Road, Suite 279, Halifax, NS B3L 2C2
Tel: 1-800-207-0685 or Halifax area 902-422-2230 • Fax: 902-429-6457

Québec

Soreconi Inc.
1800 avenue industrielle, bureau 102, Québec, (Québec) G3K 1L8
Tel: 1-800-207-0685 or
Québec City area 418-915-9292 • Fax: 1-418-915-9449

Ontario

T.O. Corporate Services
21 St. Clair Avenue East, Ste 802, Toronto, ON M4T 1L9
Tel: 1-800-207-0685 or Toronto area: 416-921-2686 • Fax 416-967-6320

Saskatchewan and Manitoba

Better Business Bureau of Saskatchewan Inc.
980 Albert Street, Regina SK S4R 2P7
Tel: 1-800-207-0685 or Regina area 306-352-7602 • Fax: 306-565-6236

Alberta & Northwest Territories

ADR Institute of Alberta
#225, Tower 1, 3697 Mill Woods Road NW
Millbourne Market Mall, Edmonton, AB T6K 3L6
Tel: 1-800-207-0685 or Edmonton area 780-439-9359 • Fax: 780-433-9024

British Columbia & Yukon

Better Business Bureau of Mainland BC
788 Beatty Street, Suite 404, Vancouver, BC V6B 2M1
Tel: 1-800-207-0685 or Vancouver area 604-682-6280 • Fax: 604-681-1544

For Consumer Information call the CAMVAP Provincial Administrator at 1-800-207-0685.



CONTACT INFORMATION

National Head Office

Canadian Motor Vehicle Arbitration Plan

235 Yorkland Boulevard, Suite 109, Toronto, ON M2J 4Y8

Tel: 1-800-806-3285 or 416-490-0615 • Fax 416-490-1680

Website addresses: www.camvap.ca • www.pavac.ca

For Media or Program Administration information call (416) 490-0615 or facsimile (416) 490-1680.

