



**Board of Directors' resolution regarding
Amendments to the OMVIC Standards of Business Practice**

BE IT RESOLVED that, in accordance with paragraph 79 of the General by-law No. 1 of the Corporation, the OMVIC Standards of Business Practice are hereby amended effective January 1, 2005 to include the following Standards in relation to the provision or sale of third party warranties:

These standards apply to all warranties offered or sold by a dealer except for warranties where the dealer is the supplier.

1. No motor vehicle dealer shall offer, provide or sell a warranty unless the agreement with the supplier appoints the dealer to act as the agent of the supplier.
2. Where a warranty is offered, provided or sold to a consumer, the warranty application shall include full terms of the warranty including all relevant information regarding coverage and exclusions; and the warranty application shall have the following information disclosed in a prominent fashion on the face of the warranty application:
 - a) the name and address of the warranty holder,
 - b) the make, model and manufacturer's serial number of the covered vehicle,
 - c) name of the motor vehicle dealer,
 - d) name of the supplier (if different from the dealer),
 - e) the name and signature of the person accepting the warranty application on behalf of the motor vehicle dealer;
 - f) the following items to be initialed separately by the consumer:
 - i. the effective dates of the warranty coverage,
 - ii. deductible (if applicable),
 - iii. all fees or costs to be paid by the consumer at the time of the purchase and during the life of the warranty,

- iv. an acknowledgement of the maintenance obligations of the consumer,
 - v. maximum claim limits,
 - vi. gross liability,
 - vii. whether or not the warranty is insured,
 - viii. in the case of an uninsured warranty a statement that the dealer assumes liability for all obligations under the warranty where the warranty company is unable to honour the warranty.
3. A duplicate copy of the warranty application with the signature of the consumer on it shall be given to the consumer, when the warranty application is completed by the motor vehicle dealer.
4. Advertisements placed by or on behalf of a motor vehicle dealer, which offer warranties as available, whether or not included in the vehicle price, shall indicate, in a prominent fashion, whether the warranty is insured, or uninsured and will indicate the name of the warranty company(ies).
5. No warranty shall be represented as insured or advertised by or on behalf of a motor vehicle dealer as insured unless it is underwritten by an insurer that is licensed in the province of Ontario.

DATED the 26th day of May, 2004.

Moved by: Kevin Bavelaar

Seconded by: Jeff Gray