

MEMBER LANE

... Beginning January



Beginning in January, 2014 the UCDA will have a regular lane at Manheim Toronto's Thursday night sale.

We are very pleased to have an ongoing presence at the Auction that played a major role in the early development of the UCDA. Thanks in large part to that early help, the UCDA has grown to become the largest dealer association of its kind in North America.

The major benefit of the UCDA lane will be Members dealing exclusively with Members. If, as we expect, Members support the lane, we hope to make it financially beneficial to enter your vehicles.

The first UCDA night will be January 9th.

Every Member that enters a vehicle on the UCDA Lane will be eligible to have a pre-sale inspection on the vehicle for just **\$49.99**. That's \$40.00 off the regular price.

All vehicles **MUST** be at the auction by Tuesday at noon to qualify for the reduced rate inspection. All Members that take advantage of the pre-sale inspection will also get a priority run placement on the lane (first come first served).

Any Member that buys or sells a vehicle on the UCDA lane on January 9th will qualify for a draw for a snow blower. You do not need to be present to win when the draw is made.

As always, there will be coffee or hot chocolate and a unique UCDA gift (while supplies last).

UCDA Benefits Plan ... in a Class of Its Own

Employee benefits are an important way for employers to recruit and retain the best employees. But the cost of such a program can often be prohibitive!

Sometimes, the premiums offered by insurers are affordable at the outset, but in time may increase due to high claims by employees.

So, how does a small business owner navigate through these challenges and provide a benefit program that endures and remains affordable?

The typical insurance company plan has a “target loss ratio”, meaning that if your employees claim too much (above the “target”), then your rates go up.

If your claims are below target, then your case is profitable to the insurer, but you’ll be unlikely to see any discount. At the end of each policy year, the claims are assessed, and new rates are set.

The UCDA Benefits health plan was designed to address these and other issues involved in providing and maintaining employee benefits.

After 12 months in our program, all member dealers that participate are fully pooled with more than one thousand individuals.

This provides greater rate stability and is “true insurance”, as it spreads the risk amongst all participants. No longer does an employer have to worry about “target loss ratios” and risk exposure if employees claim too much.

Run on a non-profit basis, unused funds remaining in the program provide future rate stability. This has resulted in our program having some of the most competitive rates in Ontario.

Numerous market surveys have confirmed this fact – you simply cannot find a better value when a true apples-to-apples comparison is done. We’ve included our most recent comparative results here for your review.

Whether you have one employee or a group of employees to enroll, the UCDA Benefits plan is a great choice.

Visit our newly redesigned website:

www.UCDAbenefits.com

and learn more about our benefit schedule and pricing.

Or simply call us at 1-866-476-8722, ext. 2, and speak with a Capital Group Insurance representative

Health Benefits COMPARISON

CRITERIA	UCDA	MANULIFE	BLUE CROSS	GREEN SHIELD	GMS CANADA
SINGLE	\$119.90	\$204.02	\$210.19	\$167.40	\$148.77
COUPLE	\$234.98	\$373.03	\$326.45	\$318.60	\$279.99
FAMILY of 4	\$275.74	\$630.50	\$534.87	\$430.92	\$404.46
Drug Max (annual, per person)	\$1 million	\$10,000	\$10,000	\$10,000	\$3,500
Drug Coverage %	100%	100%	80%	90%	80%
Private Duty Nursing	\$10,000	\$3,500	\$2,500	\$5,000	\$5,000
Vision Care (every 24 months)	\$200	\$300	\$150	\$380	\$275
Paramedical max per visit	\$30 or \$50	\$20	\$20	\$30	\$35
Dental Max (annual, per person, first year)	\$1,500	100% of first \$500; 60% of next \$420	\$750	\$1,000	\$500
Basic Dental Coverage %	80%	100%	70%	80%	70%
Travel Insurance	60 days	9 days	15 days	15 days	none
Pay direct drug card	yes	yes	yes	yes	yes
Electronic dental submission	yes	yes	yes	yes	yes
Website	ucdabenefits.com	coverme.com	useblue.com	greenshield.ca	gms.ca

Accident Damaged Daily Rental Vehicles....Disclosure

Most Members have been disclosing daily rental vehicles since 1989, when the courts made a clear determination that a daily rental vehicle is a material fact that should be passed on to consumers.

The Motor Vehicle Dealers Act regulations entrenched that disclosure obligation into law; the only exception being where the vehicle was owned by a consumer after it was a daily rental. But what about accident damaged daily rentals?

A number of Members have found out the hard way that relying on vehicle information reports alone for this information is a mistake. Most rental companies self-insure vehicles, so accident claims information rarely shows up on any accident report.

A Member recently told us that he has "never" made a disclosure to a customer about a daily rental vehicle having been damaged as a result of an incident or accident ... let alone the amount of the damage. If the dealer is relying completely on vehicle information reports, you can see why!

The UCDA did a review of a recent auction run of 284 daily rentals that went over the block. Only 4 clear disclosures of accident claims or estimate damage with a dollar amount appeared. Incidentally, a large number of these vehicles were "out of province vehicles" where information on accident damage can be even more

difficult to obtain. If a rental vehicle was purchased from another dealer and not through an auction, our Member openly admitted he has **never** received disclosure of an accident damaged daily rental. With accident damage disclosure on used vehicles generally running at about 35%, it would seem that a lot of previously damaged daily rentals are sold without any disclosure at all!

Dealers are responsible to disclose important information that they are told, that is on a vehicle information report or what they are reasonably able to determine through an inspection of the vehicle.

Paint Testers

In addition to daily rentals, many customer trade-ins have been damaged in an accident and repaired with no claim made to an insurance company. Vehicle accident damage reports may not show information about this kind of damage.

The most accurate method of determining whether a vehicle has been involved in an accident is to inspect it closely and use a paint tester. Inconsistent paint readings will give you a pretty good idea that something is wrong. Coupled with a vehicle "owner" history report, showing the name of past owners in Ontario to help identify previous daily rentals, members can make a better decision about the vehicle....before buying it.



Christmas Holiday Hours

All dealers must be closed on Christmas Day, Wednesday, December 25th. Dealers may open on Boxing Day, Thursday, December 26th.

Dealers must also be closed on New Year's Day, Wednesday, January 1st, 2014.

Dealers should note however, that employees are entitled to paid holidays for **Christmas Day, Boxing**

Day and New Year's Day, so dealers who are open on December 26th will need to arrange another day off for employees who work that day. One suggested possibility would be December 24th.

The UCDA office will be closed for the Holidays on December 24th re-opening on December 27th and will also be closed on January 1st.

	Search office hours	Internet Lien Search Hours
Monday, December 23	9:00 a.m. to 8:00 p.m.	9:00 a.m. to 8:00 p.m.
Tuesday, December 24	Closed	9:00 a.m. to 8:00 p.m.
Wednesday, December 25	Closed	Not Available
Thursday, December 26	Closed	9:00 a.m. to 8:00 p.m.
Friday, December 27	9:00 a.m. to 8:00 p.m.	9:00 a.m. to 8:00 p.m.
Saturday, December 28	9:00 a.m. to 5:00 p.m.	9:00 a.m. to 8:00 p.m.
Monday, December 30	9:00 a.m. to 8:00 p.m.	9:00 a.m. to 8:00 p.m.
Tuesday, December 31	9:00 a.m. to 5:00 p.m.	9:00 a.m. to 8:00 p.m.
Wednesday, January 1	Closed	Not Available
Thursday, January 2	9:00 a.m. to 8:00 p.m.	9:00 a.m. to 8:00 p.m.

UCDA and TADA Write Minister about Drive Clean

In November's Front Line, the UCDA called for an end to Drive Clean.

Following the article, a joint letter from the UCDA and Trillium Automobile Dealers Association ("TADA") was sent to Environment Minister Jim Bradley, asking him to announce a wind-down of the program. You'll find the letter included with this issue of Front Line.

Recognizing that Drive Clean test facilities ("DCF's"), including many members of our two associations, have invested thousands of dollars into equipment to carry out the government's test program, the letter called for an orderly winding down of the program.

We suggested that compensation for DCF's be funded from the \$19 million the provincial government has pocketed from emissions tests.

The joint letter was sent on November 20th. As of the publication date of this issue of Front Line, no response has been received.

We'll let you know if the Minister responds and keep members aware of our efforts to eliminate this inefficient program, that costs members millions of dollars each year in testing and time wasted getting vehicles ready to test.

ANOTHER Discipline Fine

This time for \$9,000!!!!

Another ad ... another failure to make proper disclosure ... has cost another dealer serious money.

The dealer admitted, in a shared statement of facts used to settle the hearing, that they had been previously warned many times by OMVIC about their ads. These warnings stretched back for a period of over five years.

Despite this, the dealer continued to run ads that failed to include proper "as is", all-in pricing and rental disclosures.

OMVIC finally ran out of patience! In addition to the fine, the used car sales manager was ordered to complete the OMVIC certification course, at the dealer's expense, and all employees had to be offered the opportunity to take the course, also at the dealer's expense.

Please visit: <http://www.ucda.org/DealerInfo/Advertising.aspx> to see required advertising guidelines and avoid your dealership becoming a statistic.

Fall Campaign Wrap Up

The UCDA's Fall ad campaign concluded on November 15. The TV campaign featured a new ad, emphasizing the home of UCDA member vehicles ... Carpages.ca.

The TV campaign ran for two months on alternating weeks on CTV and Global, as well as on several local outlets during the 6:00 pm news hour. The radio campaign ran on traffic reports in Toronto, Ottawa and Kitchener-Waterloo.

Following the campaign, the UCDA commissioned an Ipsos Reid survey, which found some interesting statistics.

Highlights

- 67% of those surveyed would consider the purchase of a used car when looking to buy. This is considerably higher than in previous surveys in which slightly more than half of respondents would consider buying used.
- The largest factor when considering a dealer from whom to purchase a used car was full disclosure of the vehicle's prior history, with 90% of respondents considering it to be an important factor.
- Close to 60% of respondents considered membership in the UCDA to be an important factor in the decision and almost 90% thought it was important that the dealer subscribe to a code of ethics, as UCDA Members do.

Carpages.ca

- Over 800 Members are now listing vehicles on Carpages.ca. ... a record high ... and growing. 45 more signed up in November alone!
- Vehicle views and email leads from Carpages.ca continue to climb.
- Views were 39% higher from September through November, than for the same period last year.
- Email leads from Carpages.ca were 22% higher than in the same period
- Over 100 members now use a website designed by Carpages.ca.

Member Testimonials

- After seeing his new website designed by Carpages, Mario from A Canadian Car Company said: Carpages "knocked it out of the park"!
- Darius Kocaj, of Kojak Auto Sales says, "I have, and will continue to recommend Carpages to other dealers. They are a pleasure to work with and conduct their business with integrity".

Stay tuned! The UCDA and Carpages have more plans for 2014, to continue to promote consumer awareness of both brands and drive Ontario car shoppers to Carpages.ca to find UCDA member cars.

36766



**Trillium Automobile
Dealers Association**



**Used Car Dealers
Association of Ontario**

November 20, 2013

Hon. Jim Bradley
Minister of the Environment
Ferguson Block
11th Floor, 77 Wellesley St. W.
Toronto, ON
M7A 2T5

Dear Minister;

The Used Car Dealers Association of Ontario (“UCDA”) and the Trillium Automobile Dealers Association (“TADA”) collectively represent almost 5,000 small and medium sized businesses, which operate as registered motor vehicle dealers across Ontario. Our member dealers don’t just sell cars - they employ over 70,000 individuals and generate about \$45 billion in economic activity every year.

We met with you in February of this year to discuss the impact on motor vehicle dealers of what at the time were new and significant changes to Ontario’s Drive Clean program.

We pointed out at that meeting, as we had previously to Ministry staff, serious concerns about “readiness” issues that were plaguing dealers attempting to prepare used vehicles for sale. We also expressed our appreciation at the meeting for program changes that made it easier for “not ready” vehicles to pass a test. Nevertheless, nine months later, readiness issues continue. We understand that 6.3% of all vehicles tested are failing, simply because monitors are not “ready”.

At February’s meeting, we also conveyed our concerns that late model vehicles, as new as the previous calendar year’s model, continue to be subject to the testing requirement, despite the negligible failure rate. Your Ministry has acknowledged the very low failure rate for newer vehicles by virtue of the fact that a private owner of one of these vehicles is exempt from test requirements for a full six years after purchasing it new, as long as the vehicle is not sold. We pointed out the unfairness of the inconsistency in the treatment of these vehicles and asked for a similar exemption for the re-sale of newer vehicles, whether by dealers or privately.

No such exemption was granted, nor have we heard that any is being considered.

The members of our two associations, as well as the general public, continue to be subject to the testing requirement on the re-sale of vehicles one model year old and older. In January 2014, this will mean that 2013 model vehicles will be subject to testing upon re-sale – even if the manufacturer’s warranty still applies.

(Continued)



Recent media reports, including stories aired on CTV and an editorial in the *Toronto Star*¹, have called for an end to the Drive Clean program and we concur. It is now widely accepted that the Drive Clean program is a needless expenditure of time and money for Ontario's dealers and vehicle owners, providing very limited environmental benefits.

We understand that ending the program may create hardship for the Drive Clean test facilities ("DCF's"), many of whom are members of one or both of our associations, who have invested thousands of dollars in testing equipment. Accordingly, we appreciate that any winding down of the program will need to be done in an orderly fashion, allowing the DCF's to adjust to an Ontario without Drive Clean.

We anticipate that this will take some time and that as part of the process, the government will need to offer compensation to DCF's. We might suggest that funding for such compensation come out of the \$19 million surplus that the government has collected from the program.

Minister, we believe that it is now time to accept that the Drive Clean program has outlived its usefulness and has become an inefficient waste of time and money for both dealers and the public. In a December 2012 news release, Ontario's Auditor General concluded that "Ministry estimates show that more than 75% of the reduction in vehicle emissions is actually due to things like better manufacturing standards for emission-control equipment and federal requirements for cleaner fuel."

Since January, dealers and consumers have been needlessly pouring time, money and energy into Drive Clean's cumbersome 5 step process to "ready" vehicles for testing. Dealers are put in an awkward position to defend Drive Clean – when an essentially brand new car isn't ready to be tested. After long delays while trying to get the vehicle ready, consumers understandably start to question their new purchase, believing there is a problem with the vehicle. Dealers then bear the brunt of consumers' frustration and anger, resulting in confusion and lost sales. As a result, dealers are wrongly being blamed for Drive Clean's flaws. Furthermore, the secondary cost for re-tests often leads consumers to believe dealers are using this as a cash grab. This doesn't bode well for dealers and consumers.

On behalf of our joint membership we urge you to announce a plan to wind down this redundant and inefficient program as soon as possible. We would be happy to meet with you and your staff to discuss how a wind down of Drive Clean may be carried out with a minimum of inconvenience to all concerned stakeholders.

Yours truly,

Warren N. Barnard
Executive Director
Used Car Dealers Association of Ontario

Frank Notte
Director of Government Relations
Trillium Automobile Dealers Association

^{1.} "Put Drive Clean program out of our misery" *Toronto Star*, Monday Nov. 4, 2013