



Global Automakers
of Canada

Manitoba Public Utility Board Meeting
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Effect of Non-OEM Parts on Safe and Proper Repair



Background: The use of aftermarket or alternate parts is mandated by insurers to control repair costs

We arrive at this intersection:

OEM's required to meet strict crash safety guidelines in production and vehicle repair

VS

The repair industry that dictates how the vehicles are repaired which quite often does not consider OEM requirements

Aftermarket parts used in collision repair in Canada are often found to not meet the OEM specifications for:

- > Weight and material characteristics
- > Fitting precision
- > Material strength
- > Weld quality for sheet metal parts
- > Corrosion protection



What are the risks to:

- Consumer safety?
- Severity?
- Cycle time?
- Customer's vehicle value?

Effect of Non-OEM Parts on Safe and Proper Repair



The proposed rate decrease from MPI relies on a sliding scale for Alternate Parts Usage* (APU) in the claims process to control repair costs:

Vehicle Make	2 years old and newer [†]	3 to 5 years old [†]	Over 5 years old
Asian	34%	45.5%	60%
European	28%	40.5%	42%
North American	38.5%	54.5%	68%

Crash parts (bumpers, rebar's etc.) are engineered as part of an integrated system for occupancy protection and airbag timing

- ❖ The use of non-OEM parts without qualifying whether these parts meet the exacting OEM specifications increases the risk of delayed systems response and potentially puts the consumer at risk[#]

Question: Should cost containment be pursued at the expense of consumer safety?

*APU is defined as aftermarket, like-kind quality (LKQ), re-cored, re-manufactured, re-chromed, and sublet parts – source – MPI Shop Measures Guide

+ The mandating of non-OEM parts during the vehicle lease period is in contravention of many OEM lease agreements and this policy puts the consumer at risk to financial penalty

Please refer to attached case studies that illustrate that non-OEM parts used in collision repair leads to greater severity and increased injury risk in a subsequent collision



Can body parts affect vehicle safety?



HONDA



The Power to Surprise



TOYOTA





What is the effect of delayed airbag timing?



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PORSCHE



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Volkswagen - OEM parts vs aftermarket quality test





Volkswagen Golf 7 crash test comparison



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