



Compensation Fund POLICY

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Legal

Compensation Fund POLICY

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2. Introduction

2.1 Policy Statement

The *Consumer Protection Act* (“CPA”) permits regulatory boards to establish a fund to pay claims of consumers who have suffered a loss or damage arising out of the operation of a business licensed under the CPA. AMVIC has agreed with the Minister, via the Mandate and Roles Document, to administer a compensation fund for these purposes.

2.2 Purpose

The AMVIC Board of Directors authorized the establishment of a compensation fund that is known as the AMVIC Compensation Fund (the “Fund”). The Fund was established on January 1, 2012, in accordance with section 137 of the CPA. The Fund is subject in all respects to the provisions of the legislation including the CPA, Automotive Business Regulation, AMVIC Bylaw 2 – Compensation Fund and this policy (the “Legislation”). AMVIC administers the Fund in accordance with the Legislation. The purpose of the Fund is to pay claims of consumers who have suffered a loss arising out of a motor vehicle transaction with an Automotive Business that was licensed by AMVIC and is no longer in operation or otherwise unable to compensate the consumer.

2.3 Definitions

The definitions are as contained in AMVIC Bylaw 1 – Governance and AMVIC Bylaw 2 – Compensation Fund.

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3. Policy

3.1 Duties & Responsibilities

AMVIC is responsible for all aspects of administering the Fund and may retain or authorize the employment of legal counsel, accountants, other experts, or advisers, as it considers necessary to assist with properly administering the Fund.

3.2 Application of the Policy

Board of Directors

The AMVIC Board of Directors (the “Board”) oversees and sets objectives for AMVIC’s management team. The responsibilities of the Board in regard to the Fund can be found in the Legislation. The Board may have additional responsibilities in regard to the Fund including but not limited to:

- Review the annual report on the administration of the Fund.
- Report to the Minister as required.

Chief Executive Officer

AMVIC’s Chief Executive Officer (“CEO”) is responsible for the management of AMVIC. The responsibilities of the CEO in regard to the Fund can be found in AMVIC Bylaw 2 – Compensation Fund. In addition, the CEO may have additional responsibilities in regard to the Fund including but not limited to:

- General oversight of the administration of the Fund.
- Determination of all claims to the Fund.
- Approval of payments from the Fund in accordance with the AMVIC Accounting Policy.
- Provide an annual report on the administration of the Fund to the Board.
- Provide any other reporting to the Board when requested.

Manager, Legal Services

AMVIC’s Manager, Legal Services (“MLS”) is responsible to give direction and leadership toward the proper administration of the Fund. The MLS responsibilities in regard to the Fund include:

- Overseeing the administration of the Fund and ensuring the Fund is administered in accordance with all applicable Legislation and provisions of this policy.
- Providing recommendations to the CEO.
- Proposing amendments to this policy as circumstances warrant.
- Reporting to the CEO and to the Board when requested.

Compensation Fund Coordinator

The Compensation Fund Coordinator (the “Coordinator”) will be primarily responsible for administering the Fund on a day-to-day basis. The responsibilities of the Coordinator in regard to the Fund include:

- Administration of all claims including:
 - Document date of receipt of claim;
 - Acknowledge receipt of claim;

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- Review all claims and application requirements;
 - Conduct an initial eligibility assessment for all claims.
- Conduct claim analysis.
- Provide administrative support for the Fund to the MLS.
- Facilitate distribution of requisition forms for payment of approved claims from the Fund.
- Correspond with claimants and other parties.
- Report to the MLS regarding all matters related to the application process and the day-to-day operation of the Fund.
- Liaise with investigators regarding claims for compensation.
- Develop claim forms and letters as needed for approval by the MLS.

Investigations Department

The investigations department handles all complaints, investigation, and enforcement activities. The responsibilities of the investigations department in regard to the Fund include:

- Conduct investigations into claims where requested by the MLS or Coordinator.
- Prepare an investigation report regarding the claim and provide the same to the Coordinator.
- Document time on claims so the Fund can reimburse the costs associated with the investigation.

Compensation Review Panel

The Claimant and the Automotive Business have the right to appeal a decision of the CEO to a Compensation Review Panel. The Compensation Review Panel is established by the Chair of the AMVIC Board in accordance with AMVIC Bylaw 2. The responsibilities of the Compensation Review Panel include:

- Review if appeal claims are eligible for compensation.
- If claims are eligible for compensation, determine the amount of compensation to be awarded for an eligible appeal claim.
- Provide a written decision of the review panel's findings to the claimant and any other involved party with reasons for the decision.

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4. Administration

4.1 Related Documents & Legislation

Consumer Protection Act
Automotive Business Regulation
AMVIC Bylaw 1 – Governance
AMVIC Bylaw 2 – Compensation Fund
AMVIC Accounting Policy

4.2 Procedures

4.3 Forms

4.4 Amendment History

Version	Date	Summary of Update
1	August 9, 1999	Original
2	March 9, 2005	Reviewed and Approved
3	January 28, 2014	Reviewed and Approved
	February 8, 2018	Administrative Changes: change Executive Director to Chief Executive Officer, change <i>Fair Trading Act</i> to <i>Consumer Protection Act</i>
4	January 22, 2019	Amendments to reflect changes in legislation, related regulations and bylaws effective October 31, 2018; conversion to new policy template

4.5 Scheduled Review Date

January 2021