



**AUTOMOTIVE RETAILERS ASSOCIATION**  
*Driving Industry Excellence*

## Priority Liaison Topics Brief

### Overview

The Insurance Corporation of British Columbia (ICBC) and the Automotive Retailers Association (ARA) have a history of collaboration that dates back to the 1990s. This partnership has been pivotal in establishing operational standards that contribute to more efficient and environmentally responsible use of recycled parts in the vehicle repair processes, reducing both costs and environmental impacts.

In 1991, ICBC partnered with BC Auto Recyclers (BCAR) and the RCMP to implement controls to combat vehicle theft and abuses related to salvage. This collaboration led to the designation of certain salvaged vehicles as 'Dismantle Purposes Only' (DPO), facilitating better oversight and maximizing efficiencies within salvage operations and the repair process. By 1994, formal liaison committees were established to improve engagement with auto-dismantlers and repair shops, paving the way for the recycled parts Standards of Performance (SoP), which outlined responsibilities and guidance for collision repair shops, recycled parts suppliers, and ICBC.

However, unilateral changes by ICBC in 2015 limited the scope, terms of reference, and meeting structures of these liaisons, creating a sense among industry stakeholders that the liaisons no longer fulfill their intended purpose. This proposal advocates for ICBC and ARA to rejuvenate the liaison process by focusing on high-impact priorities, clearly defined goals, and measurable outcomes. By doing so, ICBC and ARA can revitalize the effectiveness of these committees, enhancing industry standards and creating a more sustainable, reliable recycled parts supply chain.

### Priority Goal Setting

#### Priority Goal #1: Establish Clear Onboarding Criteria for ICBC Recyclers

**Objective:** To define and implement objective, written criteria for the onboarding and monitoring of automotive dismantlers on the ICBC supplier list, ensuring fair access and quality standards across British Columbia.

**Supporting Evidence:** The current Car-Part Recycled Parts Locating (RPL) system, unlike the previous Allied system, operates on a North American scale with minimal base requirements and standards for registration, resulting in inconsistencies across jurisdictions. This lack of standardized regional qualifications creates potential gaps in

promoting best practices and environmental protections. Further, the absence of transparent standards for removing underperforming suppliers' limits accountability within the system.

Proposed Solution: Establish clear qualifications, such as verifiable environmental and quality-control standards, as prerequisites for inclusion on the ICBC supplier list. Additionally, develop a transparent process for monitoring supplier performance and criteria for removal from the list, providing accountability and fostering a higher standard of recycling practices within the province.

### **Priority Goal #2: Set Incremental Targets for Recycled Parts Utilization**

Objective: To work with stakeholders in establishing achievable, incremental targets to increase recycled parts utilization in the vehicle repair process, aiming to reverse the declines of the last decade.

Supporting Evidence: Over the past 15 years, the number of recyclers serving ICBC claims has dropped by 60%, reducing recycled parts utilization rates significantly. This decline has led to fewer ICBC salvage lots being purchased by ICBC recycled parts suppliers and limits potential access for collision repair shops to sustainable parts. While the over-all dollar amount has increased, in 2015, recycled parts constituted 11 - 12% of the total parts spending, but this figure has since decreased to approximately 9 - 10%, along with a drop in average parts usage from 9.2% to 7.2% respectively.

Proposed Solution: Establish incremental utilization targets based on a thorough analysis of barriers to recycled parts use. This structured approach will provide measurable goals to increase recycled parts use, aiming to restore 2015 levels or beyond, supporting environmental sustainability and economic viability for BC's recyclers.

### **Priority Goal #3: Update and Reinstate the Standards of Performance (SoP)**

Objective: To revise and streamline the Standards of Performance (SoP) to reflect modern industry practices, creating accessible and enforceable guidelines for collision repair shops and recycled parts suppliers.

Supporting Evidence: Initially developed in 1996 and last updated in 2013, the SoP once provided guidance on the use of recycled parts in the vehicle repair process. However, the absence of recent updates has rendered the standards less effective, with little discussion within the liaison to adapt these to current practices. This lack of structure leaves stakeholders without a reliable, independent tool for dispute resolution and efficiency improvement.

Proposed Solution: Collaborate with ICBC and industry representatives to modernize the SoP, ensuring alignment with current business practices. Streamlined and accessible

standards will empower all stakeholders — especially estimators or those in the ‘field’ — with clearer guidelines, improving repair quality, communication, and dispute resolution.

## **Conclusion**

The longstanding partnership between ICBC and ARA has yielded significant advancements in operational standards and recycled parts utilization within British Columbia. By re-engaging the liaison with a strategic approach, these committee meetings can continue to positively impact the industry. Focusing on the establishment of clear onboarding criteria, setting achievable recycled parts utilization targets, and updating the Standards of Performance will create a more effective, sustainable, and cooperative recycling environment.