

## Definitions

**Bailee:** A person or entity entrusted with possession, custody, and control of another person's property.

**Bailor:** The owner of the property who entrusts it to another.

**Bailment:** The legal relationship created when property is transferred to a bailee for a specific purpose.

## Vehicle Care, Custody and Control – Standard of Care Guideline for Repair Shops

When a vehicle is in your care, custody, and control, you are considered a bailee and are expected to take reasonable steps to protect the vehicle from damage, loss or theft. The following minimum standards outline measures that should be in place to demonstrate that appropriate care was taken and will assist in determining subrogation recovery potential.

### Key Control and Security

- All vehicle keys must be secured at all times when not in active use.
- Keys must be stored in a locked and controlled environment (such as locked cabinet, secure key system, or restricted access area).
- Keys must not be left unattended in the vehicle.

---

Failure to properly secure keys may be considered negligent if loss or damage occurs.

---

### Awareness of Prior Incidents and Risk Mitigation

- Bailees must maintain awareness of any prior incidents at their premises, including theft, vandalism, or unauthorized access.
- Where a history of incidents exists, bailees must take reasonable and proactive steps to address identified risks.

---

Failure to adjust practices despite known risks may demonstrate a heightened breach of duty, particularly where prior incidents exist.

---

### Physical and Operational Security

- Bailees must ensure appropriate security measures are in place based on the nature of the location and level of risk.
- Reasonable security measures may include:
  - Adequate perimeter fencing or controlled access points;
  - Sufficient lighting, particularly in storage and parking areas;
  - Security cameras, such as closed-circuit television (CCTV) covering key areas;
  - Alarm systems or monitored security services.



### General Expectations

Bailees must be able to clearly demonstrate that reasonable, proactive, and documented measures were in place at the time of the loss. MPI may pursue recovery based on breach of bailment and failure to meet the required standard of care, consistent with its right to recover from liable third parties. Each situation will be assessed based on the specific circumstance(s).

Where a bailment is established and a vehicle is damaged, stolen, or lost while in the bailee's possession, the following applies:

- The burden shifts to the bailee to demonstrate they were not negligent.
- The bailee must prove, on a balance of probabilities, that:
  - Reasonable care was taken, and/or
  - Any failure to take reasonable care did not contribute to the loss.

If the bailee cannot meet this burden, MPI may infer negligence and pursue recovery.