



**INSURANCE**

**Insurance Australia Limited**

ABN 11 000 016 722

AFS Licence No. 227681

trading as NRMA Insurance

An IAG Company

388 George Street

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4 April 2014

Mr John Barilaro, MP  
Motor Repair Inquiry Committee Chair

By email: [motorvehiclerepairinquiry@parliament.nsw.gov.au](mailto:motorvehiclerepairinquiry@parliament.nsw.gov.au)  
cc: [Stephanie.Hesford@parliament.nsw.gov.au](mailto:Stephanie.Hesford@parliament.nsw.gov.au)

Dear Mr Barilaro,

Please find the marked-up transcript as reviewed by Roy Briggs and Steve Bubulj of NRMA Insurance.

We have also responded to the question taken on notice:

**Average time it takes for a car to be repaired by a Partner versus a Non-Partner repairer:**

The comparison we made during the hearings when talking about customers getting their cars back on the road quicker if they use our Partners over Non-Partners goes to *process*, not repair cycle times.

We did however conduct an analysis following the receipt of the Committee's letter and based on the information available, the average cycle time for Partners is 6.4 days versus 8.9 days for Non-Partners (for the six month period to February 2014).

Customers who use Partners are usually booked in immediately and our assessment process is highly streamlined and often commences immediately once the car is presented to a repairers shop. And sometimes within a day of the claim being lodged.

With Non-Partners the booking and assessing process is different due to the different nature of our relationship. For example, we conduct a line by line assessment and agree a repair plan and cost once the customer has visited their repairer of choice, and quotation is prepared. On a small amount of occasions, we can obtain a second quote, move the car for assessment, discuss any differences we may see between methods of repair in the two quotes with the original chosen repairer and attempt to negotiate a mutually agreeable repair plan.

Meanwhile, in a Partner repair shop the vehicle would likely already be undergoing repair and near completion.

As we acknowledged following comments from the Chair during the hearing, and as contained in the transcript, we agreed with the proposition that "for getting it assessed, fixed and back on the road" it was quicker to use a Partner Repairer. This is a product of our model and the streamlined, customer-focused dedication which supports it.

We also pointed out that such a claim is not in our Call Centre scripts. Our scripts do not remark for example, on the differences in terms of days for Partners or weeks for non-Partners in terms of repair cycle times, and on the limited occasions the inference may have been made to customers it is a mistake and the consultant has been coached/re-trained.

However, when we talk generally (not to customers making a claim) about the repair process being quicker through our Partner network this is based on our experience of how the process works inside and outside our model.

In our transcript you will note our statements on our willingness to provide follow-up information on certain questions from the Committee. This willingness and transparent approach is fundamental to how we work with repairers to fix customers' cars and we are happy to provide further information if requested.

If you have further questions or requests please contact me on the details below:

- [REDACTED]
- [REDACTED]

Yours sincerely,

[REDACTED]  
Damen Butler  
Government Relations Manager  
NRMA Insurance



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Dear Mr Barilaro,

**Re Clarification: 'Rectification' numbers versus safety issues**

Thank you for the opportunity to appear at the Inquiry into the Motor Vehicle Repair Industry on 21 March 2014.

We were also pleased to respond to the Committee's Request for Information that included three years of our quality data. This data forms the basis of the reporting we provide to the Office of Fair Trading.

As referred to in the hearings, there are more than 1200 quality issues our Quality Program has identified across our Partner and Non-Partner Network during the identified period. It is however important to clarify the varying seriousness of these issues or 'rectifications'.

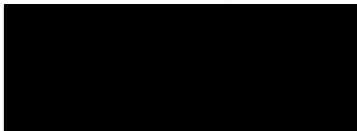
The information we provided covered everything from aesthetic or cosmetic matters, to serious potential safety issues. Because of our dedication to working with repairers to return a car to its pre-accident condition, we manage even a minor paint issue through our quality framework. While these are 'rectifications', they are not potential safety issues.

Potential safety issues, while being the most serious given they pose a risk to NSW motorists, are in the minority overall, but particularly in our Partner Repairer Network.

Human error does occur irrespective of whether repairs were conducted in our partner network or not, and in the information provided to the committee over three years, potential safety issues represented 0.0001% of repairs conducted. Almost 70 percent of potential safety issues occurred outside of our Partner Network.

Should you require any further information on the above my colleague Damien Butler is available to the Committee at any time.

Yours sincerely,



Steve Bubulj  
Head of Supply Chain (Acting)  
NRMA Insurance