

## **MOTOR VEHICLE REPAIR INDUSTRY**

**Organisation:** Australian Automotive Repairers Group  
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**Position:** Solicitor  
**Date Received:** 14/03/2014

# AUSTRALIAN AUTOMOTIVE REPAIRERS GROUP



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14 March 2014

The Chair  
Select Committee on the Motor Vehicle Repair Industry  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000  
Email: [motorvehiclerepairinquiry@parliament.nsw.gov.au](mailto:motorvehiclerepairinquiry@parliament.nsw.gov.au)

Dear Mr Barilaro

**RE: PARLIAMENTARY INQUIRY INTO THE MOTOR VEHICLE REPAIR INDUSTRY**

please find enclosed submissions made on behalf of the Australian Automotive Repairers Group.

We would like to stress that we have hundreds of examples of vehicles that require rectification work either/or not repairable and therefore required to be written off.

Both the writer of this letter and Mr Hasan are available at short notice should you require their attendance as a witness.

We are also happy to provide the committee with more evidence in relation to the conduct of insurance companies and the quality of repairs by repairers.

Yours sincerely



George Elmassian  
Solicitor

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## BACKGROUND

The Australian Automotive Repairers Group Incorporated (AARGI) was formed in May 2009. AARGI represents repairers in the smash repair industry and supports its members by providing knowledge through education and advice on industry issues, specifically in relation to the Motor Vehicle Insurance and Repair Industry Code of Conduct ("Code").

The Motor Vehicle Insurance and Repair Industry Code of Conduct has become futile in resolving disputes between insurers and repairers. The reality is that after the disputes resolution process is completed, (Internal Dispute Resolution ("IDR") and External Dispute Resolution ("EDR")), there is no enforcement or powers of prosecution.

From personal experience and discussion with its, AARGI can state with first-hand knowledge that insurance companies treat the Dispute Resolution Process with contempt knowing there is no recourse against them.

It is therefore imperative, essential that severe penalties are imposed against:

- ✶ insurers who promote breaches of the Code and the Act;
- ✶ repairers who breach the Code and the Act; and
- ✶ assessors who provide authorise repairs and give expert evidence with knowledge that they are in breach of the Code and the Act.

AARGI respectfully suggests that if the Committee can resolve the issue of quality, then all other issues will fall into place.

This submission will refer to a number of examples to illustrate the disastrous results that have resulted from the consumer not having a choice. Currently there are over 150 vehicles which are in the process of being rectified.

The majority of these repairs have been conducted by insurance company preferred repairers. It is our conservative opinion that there are thousands of vehicles currently on the road which do not comply with the Australian Safety Standards.

## Summary

The move to consolidation and rationalisation of insurance companies and repair shops:

1. is harmful and destructive to the repairer industry, to non-network repairers and to the consumer.
2. puts at risk the lives of the occupants of the repaired vehicle and other road users;
3. substantially decreases the quality of repair work;
4. promotes repairing vehicles to a cost and not a standard;
5. leads to the systematic and deliberate termination of high quality repair shops;
6. diminishes the value of the consumers asset;
7. deprives the consumer of the right to choice.

## 1. Consolidation and Rationalisation

- 1.1 For many years now, insurers have been pushing for consolidation and rationalisation in the market. Insurers have been systematically promoting and steering consumers away from –preferred repair shops to their own Preferred Repairers. This has had the effect of reducing the volume of work to non-preferred repairers forcing them out of business and depriving the consumer choice of repairer.
- 1.2 Insurers have effectively managed to achieve this objective through advertising and their teleclaim's operators. Insurers make numerous representations to steer the consumer to their own Preferred Repairers. Insurers have created an unnecessary bureaucracy causing nothing but undue strain on the consumer and the repairer in the attempt to gain total control virtually from the scene of the accident only to save money and by any means possible.
- 1.3 Threats are made to the consumer namely:
  - ☛ The consumer will be cash settled;
  - ☛ A lifetime warranty will not be provided;
  - ☛ The repair process will be delayed (currently a major insurer company is delaying assessments for up to 6 weeks to discourage the Consumer from going to their choice of repairer). This is direct breach of the ACL.
- 1.4 Inferences are also leveled against the repairer which may be construed as defamatory, namely that the repairer:
  - ☛ is not recognised;
  - ☛ cannot produce quality repairs;
  - ☛ will not wash and vacuum your car;
  - ☛ will not repair the vehicle to proper standards;
  - ☛ is too expensive.
  - ☛ will not be able to repair the vehicle as quickly as one of the Preferred Repairers. (The Teleclaims Officer plants a seed of doubt into the consumer.)
- 1.5 The ferocity with which the insurance companies and their tele-claim operators attempt to steer work away from non-preferred repairers raises the question if there is a commission based bonus system adopted to reward this conduct.
- 1.6 Insurers are not selling a quality product but are selling a system. The system is cheap repairs which result in poor quality repairs but enhance the bottom line of the insurer.

- 1.7 Network repairers are spoon fed work and therefore have no motivation to repair vehicles to a standard and quality pursuant to the Code nor offer high levels of service. Instead their sole motivation is to produce cheap repairs to satisfy the insurer to ensure that a thriving relationship exists and continues. They will be removed from that system if they don't perform as to Insurers wants, needs and demands.
- 1.8 Consolidation and rationalisation does not lead to competitive quoting or to a high level of service and quality of repairs to the consumer. Currently the conduct of insurance companies who are working on their network repairers is causing a significant decrease in the quality repairs which affects the structural integrity of the vehicle, hence the occupants of the vehicle and other road users.

2. Safety and Quality

- 2.1 To decrease costs, insurers are encouraging and promoting repairers to adopt methods that are in breach of their obligations pursuant to the Code and the Act, including authorising paint work contrary to Paint Manufacturer's Specifications.
- 2.2 Loss assessors, whose primary source of income is received by the insurance companies are also encouraging repairers to adopt methods which compromise quality but save costs. This conduct is in breach of the Code and therefore assessors must also be deterred from such conduct. We suggest a licensing regime where assessor's licences can be suspended and they can be fined.
- 2.3 Insurers are promoting and using terms such as "Industry Standards" instead of the terms described in the Code.
- 2.4 The term "Industry Standards" is ambiguous and cannot be reconciled with the obligations of repairers and insurers pursuant to the Code. The Code clearly states, that both the insurer and the repairer must authorise and undertake repairs with the objective of:
- (i) restoring the safety, structural integrity, presentation and utility of the motor vehicle;
  - (ii) complying with the relevant Australian in Government, State or territorial legislation; and
- in accordance with
- (iii) the documented manufacturers technical specifications including those supplied by other industry recognised agencies authorities; or
  - (iv) any lawful mandatory specifications and/or standards; or
  - (v) in the absence of (A) and (B) and not in accordance with accepted industry standards and practice will have regard to the age and condition of the motor vehicle.
- 2.5 The term industry standard falls outside the ambit of the Code and therefore should not be used to describe a process, unless there is no manufacturer's specifications.
- 2.6 Accordingly, the Act and the Code should incorporate consumer guarantees with respect to repairs and mandatory standards of repair as this will promote safe repairs.



- 2.7 If for example, the technical specifications from a paint manufacturer are to paint all adjacent panels and not to blend adjacent panels, then this is the standard for a repairer to repair a vehicle. It is also the standard by which the insurer must assess vehicles. The Insurer hides behind statements such as “our Recommended Repairer can successfully do these various operations” and we (the insurer) will guarantee the process, when the Paint Manufacture will not.
- 2.8 Where an insurer does not authorise a repair and a repairer does not repair a vehicle in accordance with the mandatory provisions of the Code and the Act, then the consumer must be put on notice before any repair work is undertaken. Anything short of putting the consumer on notice amounts to misleading or deceptive conduct.
- 2.9 It is imperative that a consumer be entitled to obtain copies of all estimates and repair invoices identifying the work undertaken to the vehicle. This would be consistent with the consumer being aware as to the method of repair including whether new or refurbished parts have been used.
- 2.10 **Consequential Loss** - where a supplier, in this case being the insurer or repairer has failed to meet one or more of the consumer guarantees in relation to consumer goods or services, then the consumer should be entitled to consequential loss. This should include but not be limited to a replacement vehicle, loss of wages and time.

### 3. Loss Assessors

- 3.1 The definition of Repair includes "examine and detect faults". Therefore, it is imperative that Loss Assessors must be experts in their field to appropriately "examine and detect faults".
- 3.2 In determining what the fair and reasonable cost of repairs to a motor vehicle is, a Loss Assessor must first determine the correct method of repairs. However, it is generally accepted in the industry, that Loss Assessors are primarily concerned with the "cost of repairs" and not "the correct method of repairs". As there is no certification or licensing for Loss Assessors, there is no in statutory enforcement mechanism to act as a deterrent for Loss Assessors to ensure they assess the damage to a vehicle to ensure it is repaired in a proper and tradesmanlike manner. The absolute "Correct Method of Repair" determines the quantum. Assessors alter the method of repair to achieve a cheaper outcome for the Insurer.
- 3.3 Loss Assessors are primarily engaged and/or employed by major insurance companies. Their obligations are therefore to the insurer and not the consumer. As such, assessments are based on cost and not methods.
- 3.4 Paragraph 4.2 of the Code provides that insurers are required to ensure that assessors are:
  - appropriately trained and have appropriate technical experience: and
  - have successfully completed and approved assessors course: or
  - have not less than 5 years experience as an insurance (motor) assessor

The deficiency of this requirement is that there is no definition for what is meant by appropriately trained, and appropriate technical experience. Furthermore, there are no parameters as to what a successfully completed and approved assessor's course is.

- 3.5 Presently, Loss Assessors are trained and educated by their employers in the confines of their “employer’s boardrooms”. Loss Assessors are not independent and therefore their impartiality results in authorising the cheapest estimate.<sup>1</sup>
- 3.6 It is undisputed amongst repairers, that assessors authorise methods which finds favour with their employer, which generally means assessing to a cost.
- 3.7 It is our submission, that assessors must be properly trained and have the experience as panel beaters or spray painters and to assess damage to vehicles pursuant to the Code. Furthermore, it is our submission that Loss Assessors be totally independent of insurance companies. This would provide total impartiality.

- 3.8 Alternatively, it is our submission, that there must be disciplinary measures to ensure that Loss Assessors assess vehicles to a standard and not a cost. Where an assessor breaches its obligations under the Code or the Act, an assessor must be required to show cause and there must be penalty provisions which include fines and suspension of licences.
- 3.9 Presently, it is undisputed amongst stakeholders in the industry, that the guidelines followed by Loss Assessors are the guidelines set down by insurers and not the law, be it statutory or common law. It is further contended, that a number of assessors employed by insurers have no experience in repairing motor vehicles. Yet these assessors are able to provide an opinion on the correct method repairs. This would be equivalent to a theatre nurse expressing a medical opinion on the diagnosis of an illness, and the type of corrective surgery that is required.
- 3.10 Licencing of assessors will compel loss assessors to assess vehicles pursuant to the Code and the Act. This will immediately ensure that repair methods are safe. Undoubtedly this will not be given favour by the insurance companies as proper safe repairs means additional costs, and for a listed company this is unacceptable.

3.11 Cost to the community in terms of safety and consumer detriment

Under the present system, the cost to the community is safety of the occupants inside the vehicle and other road users due to poor workmanship. Secondly, it is the diminished value to their motor vehicle. In most cases, the motor vehicle is the 2nd largest asset a consumer owns. Pursuant to the common law and the statute, the consumer must have their vehicle repaired in a proper and tradesman like manner, which simply means, the vehicle must be repaired to manufacturer specifications and reinstated to pre-accident condition. However, given that most insurers assess vehicles to a cost, the result means a poor quality of repairs.<sup>2</sup>

- 3.12 AARGI supports an independent body to be set up by the government to have the authority to randomly inspect motor vehicle repairs and assessments at any time during the repair process and after repairs are completed. This can be instigated by an increase in annual licensing fees. The increase can be based on the number of employees in a repair shop and can be capped at a maximum.
- 3.13 The case studies in these submissions illustrate that breaches of the Code and the Act are prevalent throughout the industry and that the Code does not act as a deterrent for insurers or repairers.
- 3.14 If a repairer is required to repair vehicles with due care and skill, within a reasonable timeframe, and to an acceptable level of skill or technical knowledge, then the same standards must also be placed on the Loss Assessors who ultimately assess and authorise repairs on behalf of the insurance company.
- 3.15 Presently, repairers who quote vehicles to ensure they meet the statutory requirements and standards of repair, are losing repair work to cheaper repairers who quote cheap to “win” repair jobs. The “measuring stick” for repairers is cost and not method.
- 3.16 If a Loss Assessor authorises repairs where the authorised method of repair is in breach of the standards set in the Code and the ACL, then disciplinary action must be taken against the Loss Assessor. This will immediately eliminate the control and influence that insurers have over loss assessors. If a Loss Assessor authorises repairs to a vehicle which is not in accordance with all legislative provisions, then disciplinary action should be taken against them.

4. Would rectification orders provide a useful additional consumer protection measure in a consolidated act
- 4.1 Rectification orders would provide a useful additional consumer protection measure in relation to private repairs. However, the Act would have to go further to enforce disciplinary actions and penalties for the poor workmanship in matters relating to “substantial defects”. Where a repairer has breached its obligations under the Code, namely by not performing work to manufacturer specifications, then disciplinary action must be taken against the repairer.

5. Third party recoveries

- 5.1 Consumers have a common law right to claim damages against a 3<sup>rd</sup> party, where the 3<sup>rd</sup> party is at fault.
- 5.2 This right gives the consumer the unfettered discretion to have the vehicle repaired at the repairer of their choice.
- 5.3 The repairer in this instance can repair the vehicle pursuant to the Code and the Act and not to a cost which is impressed and imposed upon them by the insurance companies.
- 5.4 This repair process is immediate and neither the consumer or the repairer is held hostage to threats imposed upon them by the insurance companies.
- 5.5 This process is vehemently opposed by insurance companies. To delay the payment process, insurance companies will generally engage a solicitor which adds thousands of dollars to each claim.
- 5.6 This conduct by the insurance company adds anywhere between \$2,000.00 - \$4000.00 to a claim, even if the claim is as small as \$4000.00.
- 5.7 The damage to these vehicles is always independently assessed by an experienced assessor who is not under the pressure of having to compromise quality for cost.
- 5.8 Whilst insurance companies may argue that this raises the cost of repairs, the real issue is that the cost of repairs is reflected in the quality of work which is undertaken to the vehicle.
- 5.9 Unfortunately, where the assessors on behalf of the insurers undertake a fair and reasonable assessment, the assessment report generally reflects standards which are not in accordance with the Code or Act. Generally, the difference in price between what the insurance company wants to pay and the actual cost of repairs is the difference in the quality of repairs.
- 5.10 Given that these repairs are assessed by an independent assessor, the argument that costs are excessive or exorbitant are incorrect, misleading and untrue. To argue that this process of repairs increases the cost of repairs is simply stating that the independent assessors are not doing their job properly.
- 5.11 It should be highlighted to the Committee, that almost 100% of these assessors are ex-employees of insurance companies. To question their integrity and their ability is defamatory.

## Conclusion

The case studies clearly illustrate that the present system is failing.

Repairers are adopting incorrect methods of repairs and taking shortcuts to "win" repair work. Loss Assessors are authorising incorrect methods of repairs and simply authorising work to the cheapest repair estimate. This ultimately leads to repairers adopting methods of repair which compromise the structural integrity of the vehicle which ultimately puts lives at risk.

It is unacceptable that an insurer can hide behind the offer of a "lifetime guarantee" to justify poor workmanship. An offer of a "lifetime guarantee" does not exempt an insurer or a repairer from adopting methods of repairs which compromise the safety of road users and do not fulfil the objectives of the Code.

Insurance companies have a duty to their policyholders to ensure that vehicles are being repaired in a proper and tradesman like manner. Furthermore they are obligated under the law to ensure that their Loss Assessors authorise repair work pursuant to the objectives set under the Code. At present this is not happening and there is overwhelming evidence of this.

By giving standing to the insurer, the consumer or the repairer to commence court proceedings for breaches of the Code, then this would act as an immediate deterrent to the insurer and repairer.

### Case study 1

Vehicle type: Silver Lexus RX350

Year: 2008

### FACTS

1. Insurer directs Consumer to Preferred Repairer.

**Repair Cost - \$3,412.**

The quote is to repair and paint the tailgate without painting the adjacent panels.

2. Insured obtains quote from Lexus preferred repairer.

**Repair Costs - \$9,514.78.**

The quote includes replacing the tailgate, and painting adjacent panels in accordance with the manufacturer's specifications.

3. Insurer obtains 2<sup>nd</sup> quote from preferred repairer ("2nd Preferred Repairer").

2nd Preferred Repairer does not physically inspect the vehicle

2<sup>nd</sup> Preferred Repairer quotes for a new tailgate, but does not quote to paint adjacent panels in accordance with the manufacturer's technical specifications.

**Repair Cost - \$5,917.**

4. IDR and EDR launched - no resolution.
5. Manufacturer's technical specifications provided to insurer who refuses to authorise repairs to the Lexus preferred repairer.
6. Insured commences legal action in the Local Court.
7. Insurer pay for the cost of repairs as quoted by the Lexus preferred repairer.

### Issues

The actions and conduct of both the 1st and 2nd preferred repairers and the insurer was in direct breach of paragraph 1.1, 1.2, 1.3, 1.4 and 4.2(d) of the Code:

“repairers and insurers are required to authorise and carry out repairs:

- with the objective of restoring the safety, structural integrity, presentation and utility of the motor vehicle; and
- in accordance with the documented manufacturers technical specifications including those supplied by other industry recognised agencies authorities.



- in their dealings with Repairers in relation to repair work, insurers will ensure all assesses engaged by the insurer are appropriately trained and have appropriate technical experience.

In this instance, neither of the preferred repairers or the insurance company complied with their obligations under the Code.

### Solution

Painting a vehicle is a question of fact not cost.

In this instance there was clear anecdotal evidence on the process of painting the vehicle.

Neither the insurer, the insurer's preferred repairers or the loss assessor was penalised for breaching the Code.

*Section 54 of the Fair Trading Act 1987, at paragraph 4 states:*

"The Minister and Director-General may decline to take action under part 6 with respect to an alleged contravention of an applicable industry code of conduct if they consider that it is not in the public interest to take this action."

*Section 68 of the Fair Trading Act 1987, states:*

"proceedings for an offence against this Act may be taken and prosecuted only by the Director-General or, in the name of the Director-General, by a person acting with the authority of the Director-General.

It is our submission, that any interested party alleging a breach of the Code, should have standing to commence proceedings. The matter could then be dealt with expeditiously and would save the Department time, money and resources.








Time period to resolve issue – 11 months.

### Blend-in Refinishing System





### Glasurit® 55 Line Pearl Effect Basecoat

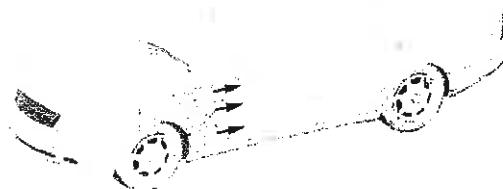
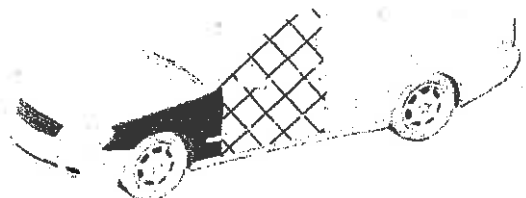
#### Properties:

Translucent pearl effect finishes cannot be repaired by edge-to-edge panel refinishing because different spraying techniques and film thicknesses give different effects. A successful repair requires large-scale blending into the adjacent surfaces. To obtain a perfect result the refinisher has to use the same ground coat colour and pearl effect basecoat that were used for the OE finish. Spot repairs on the panel being repaired do not give a satisfactory result. Always fade out on the adjacent panel(s).

541-5 Glasurit® Wax and Silicone Remover	 1x	563-808 Glasurit® Flatting Paste	 563-808 sanding pad
541-5 Glasurit® Wax and Silicone Remover	 1x	 wipe dry	
Solid Colour Ground Coat: 55 Line Glasurit® Basecoat	 2.1 352-50 / -91	 HVLP 1.2-1.3 mm 2.0-3.0 bar	 2

Mask adjacent surfaces.

Solid Colour Ground Coat: 55 Line Glasurit® Basecoat	 2.1 352-50 / -91	 HVLP 1.2-1.3 mm 1.0-2.0 bar	 1 fading out on neighbouring panel	 flash off until mat
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Please refer to the EU Material Safety Data Sheet for product labelling as required by Directive 1999/45/EC and the respective national rules. The products are suitable for professional use only.

The data contained in this publication are based on our current knowledge and experience. In view of the many factors that may affect processing and application of our products, these data do not relieve processors from carrying out their own investigations and tests; neither do these data imply any guarantee of certain properties, nor the suitability of the products for a specific purpose. Any descriptions, drawings, photographs, data, proportions, weights etc. given herein are for general information purpose only; they may change without prior information and do not constitute the agreed contractual quality of the products (product specification). It is the responsibility of the recipient of our products to ensure that any proprietary rights and existing laws and legislation are observed.

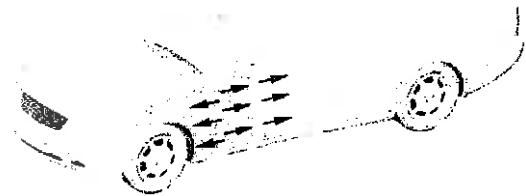
BASF Coatings AG  
Automotive Refinish / Commercial  
Transport Coatings Solutions  
Glasuritstrasse 1  
40165 Muenster  
Germany



### Blend-in Refinishing System Glasurit® 55 Line Pearl Effect Basecoat

55 Line Glasurit® Pearl Effect Basecoat		2:1 352-507-91	HVLP 1.2-1.3 mm 2.0-3.0 bar
1	flash off until mat	1	flash off until mat
1	flash off until mat	1	flash off until mat
1	flash off until mat	1	flash off until mat

923- Glasurit® MS / HS Clear		2:1+10% 929-91 352-507-91	HVLP 1.2-1.3 mm 2.0-3.0 bar	2	30 min. at 60°C
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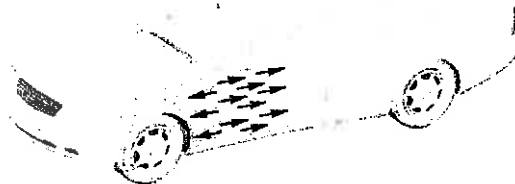
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Glasuritstrasse 1  
48165 Muenster  
Germany



### Blend-in Repair System

### Glasurit® 90 Line Pearl Effect Basecoat

90 Line Glasurit® Basecoat, Pearl Effects	 2:1 93- E3	 HVLP 1.2-1.3 mm 2.0-3.0 bar			
 1	 flash off until mat	 1	 flash off until mat	 ½	 flash off until mat
923- Glasurit® MS / HS Clear	 2:1+10% 929-91 352-50 / 91	 HVLP 1.2-1.3 mm 2.0-3.0 bar	 2	 30 min. at 60°C	



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### Blend-in Repair System





### Glasurit® 90 Line Pearl Effect Basecoat

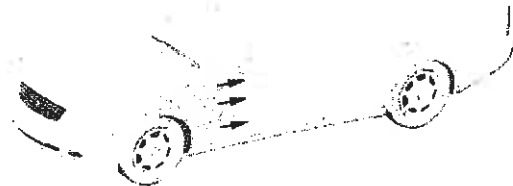
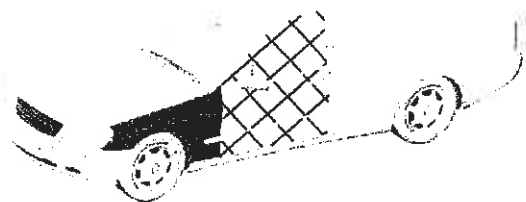
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700-1 Glasurit® Cleaner	 1x	563-808 Glasurit® Flatting Paste	 563-808 sanding pad
700-1 Glasurit® Cleaner	 1x	 wipe dry	
Solid Colour Ground Coat: 90 Line Glasurit® Basecoat	 2:1 93-E3	 HVLP 1.2-1.3 mm 2.0-3.0 bar	 2  flash off until mat

Mask adjacent surfaces.

Solid Colour Ground Coat: 90 Line Glasurit® Basecoat	 2:1 93-E3	 HVLP 1.2-1.3 mm 1.0-2.0 bar	 1 fading out on right neighbouring panel  flash off until mat
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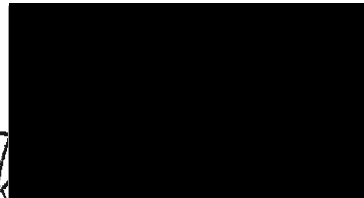
Tel: 02 9933 6123  
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6th September 2010

RE : Blending Process for Xirallic Pearls

Further to your enquiry regarding this vehicle's colour 1GO, which consist of Xirallic pearl, it is not recommended to paint edge to edge due to colour variations. The OE finish is normally applied electrostatically (in the Crash repair Industry, paints are applied with a conventional spray gun) and this changes the "effect pigment" orientation. In other words, these pigment particles lay down differently within the paint film. This of course, will change the colour. Therefore blending process is required to match the original OE refinish.

Thank you for your enquiry which I hope my response has addressed your query, please feel free to contact me.



Yours sincerely,

Tony Kouvas  
Nsw Area Manager  
Standex NSW

## ESTIMATE NO 11171

06/Sep/2010

Owner  
AddressVehicle  
Model/Yr RX 350 07/08  
Damage REAR  
Rego  
Colour GRAPHITE 1GO  
Mileage 19269  
Vin  
Claim No  
Est DateEst By  
Assessor  
Phone  
Fax  
Date Ass  
Excess 0.00  
Job No  
Date In  
Date OutPh (H)  
Mobile  
Email  
Debtor  
ABN

Claim No 365702

Est Amt

Remarks

## Remove &amp; Replace

## Units

1. REAR TOW BAR & HARNESS & PLUG }	3.00	2.5
2. & D/A & RE POSITION }	5.50	
3. REAR BUMPER & DIS/ASS	0.20	
4. REAR BAR FOAM & RECLIP	1.00	0.5
5. REAR BAR REINFORCEMENT+RESET	1.00	
6. REAR BUMPER UPPER PROTECTOR & CLEAN GLUE	0.40	
7. N/S/R & O/S/R BAR SLIDES+RESET	0.40	
8. N/S/R & O/S/R BAR BRKTS+RESET	0.40	
9. N/S/R & O/S/R BAR SLIDES+RESET (ON QTR)	0.60	
10. N/S/R QTR FITTINGS/VENTS/PIPING	0.60	
11. O/S/R QTR FITTINGS/VENTS/PIPING	0.60	
12. TAILGATE APP SEAL+REAPPLY SEALER	0.60	
13. SPARE/JACK/TOOLS/BOARDS }	1.00	0.6
14. & SAFETY EQUIPMENT }	4.50	
15. ALL NECC INNER BOOT TRIMS INC }	0.40	
16. LAMPS/TRIMS/COVERS/CARPETS }	0.40	
17. STORAGE UNITS & FLOOR BRACES }	0.20	
18. N/S TAILAMP ASSY	0.20	
19. O/S TAILAMP ASSY	0.10	
20. N/S/R TAILAMP TRIM & RECLIP	0.10	
21. O/S/R TAILAMP TRIM & RECLIP	0.20	
22. N/S/R TAILAMP GASKET & RE USE	0.20	
23. O/S/R TAILAMP GASKET & RE USE	0.10	
24. N/S TAILAMP RETAINERS (ON QTR)	0.20	
25. O/S TAILAMP RETAINERS (ON QTR)	0.20	
26. N/S/R TAILGATE STRUT	0.20	
27. O/S/R TAILGATE STRUT	0.20	
28. TAILGATE D/A TO SHELL	16.50	
29. TAILGATE REVERSE CAMERA (OPT)	1.00	16.0
30. TAILGATE PLATE FRAME (OPT)	0.10	
31. TAILGATE SPOILER (OPT)	2.50	
32. TAILGATE HARNESS & REFEED }	0.60	
33. THROUGH HEADER PANEL }	0.60	
34. TAILGATE WASHER HOSE & }		
35. THROUGH HEADER PANEL }		
36. RESET & ADJUST TAILGATE }	2.50	2.0
37. MOTOR (ELECTRIC) }	0.40	
38. FUEL FILLER FLAP + DRILL + RIVET }	0.50	1.0
39. FUEL FILLER NECK SURROUND }	0.50	
40. FUEL FLAP RELEASE MECH & CABLE }	0.20	
41. REL N/S GUARDLINER TO ACCESS SILL	0.20	
42. REL O/S GUARDLINER TO ACCESS SILL	1.00	
43. N/S SILL MOULD & RECLIP	1.00	
44. O/S SILL MOULD & RECLIP	0.80	
45. NECC N/S/R DOOR APP FITTINGS	0.80	
46. NECC O/S/R DOOR APP FITTINGS		

RECEIVED

14/9/10



## ESTIMATE NO 11171

06/Sep/2010

## Remove &amp; Replace

47. NECC O/S/F DOOR APP FITTINGS
48. NECC N/S/F DOOR APP FITTINGS
49. NECC N/S/R DOOR APP SEALS+FELTS
50. NECC O/S/R DOOR APP SEALS+FELTS
51. NECC N/S/F DOOR APP SEALS+FELTS
52. NECC O/S/F DOOR APP SEALS+FELTS
53. RELEASE 2 X N/S DOOR FRAME SEALS
54. RELEASE 2 X O/S DOOR FRAME SEALS
55. N/S TURRET MOULD & RECLIP
56. O/S TURRET MOULD & RECLIP
57. MASK FRONT SCREEN (N/S/F+O/S/F)
58. N/S/F UPPER GUARD MOULD
59. O/S/F UPPER GUARD MOULD
60. N/S ROOF RACK & RESEAL BODY
61. O/S ROOF RACK & RESEAL BODY
62. ALL NECC INNER CABIN TRIMS TO }
63. ACCESS ROOF RACKS & QTR GLASSES }
64. INC LAMPS/TRIMS/COVERS/BELTS }
65. VISORS & RELEASE HOODLINING }
66. ACCESS & DISS BATTERY
67. DISS ECU & NECC TRIM (ABS)
68. DISS ECU & NECC TRIM (SRS)
69. DISS ECU & NECC TRIM (EMS)
70. RESET RADIO & CLOCK & ACCESSORIES
71. MASK REAR BAR TEXTURE COAT }
72. TO SAVE FINISH }
73. REMOVE POLLEN FILTER & STORE
74. ....

## TOTAL

## Repair &amp; Align

1. LIFTGATE LOCK & REALIGN
2. ....

## TOTAL

## Refinish

- REAR BUMPER COVER (LARGE 4WD)
- .. LIFTGATE SPOILER
3. TAILGATE (OUT)
4. TAILGATE (IN)
5. TAILGATE MOULD+MASK INSERT
6. TAILGATE HINGES & BLOW IN }
7. & RE SEAL TO HEADER PANEL }
8. NECC N/S T/LAMP PANEL/BUCKET
9. NECC O/S T/LAMP PANEL/BUCKET
10. NECC N/S TAILGATE APP TO FINISH
11. NECC O/S TAILGATE APP TO FINISH
12. N/S/R QTR PANEL (LARGE 4WD)
13. O/S/R QTR PANEL (LARGE 4WD)
14. N/S/R QTR FUEL BUCKET
15. FUEL FILLER FLAP
16. NECC N/S/R DOOR APP TO FINISH
17. NECC O/S/R DOOR APP TO FINISH
18. N/S/R DOG-LEG PANEL+SILL JOIN TO FINISH
19. O/S/R DOG-LEG PANEL+SILL JOIN TO FINISH
20. N/S CANT RAIL+SCREEN PILLAR

Units	Est Amt	Remarks
0.80		
0.80		
0.60		
0.60		
0.60		
0.60		
0.60		
0.60		
1.00		
1.00		
2.00		
0.20		
0.20		
1.50	1.0	
1.50	1.0	
16.00	12.0	
0.20		
1.00		
1.00		
1.00		
0.20		
1.00		
1.00		
84.60 @ \$30.00	\$2,538.00	269.00
72.30		
3.00	1.0	
3.00 @ \$30.00	\$90.00	30.00
5.50		
3.00	2.5	
5.50		
2.00	6.5	
1.50		
1.00		
0.50		
0.50	2.0	
1.00		
1.00		
6.50	1.5	
6.50	5.5	
0.60		
1.00		
1.00		
1.00		
1.00		
1.00		
2.00		

AQ AUTO-QUOTE



## ESTIMATE NO 11171

06/Sep/2010

## Refinish

21. O/S CANT RAIL+SCREEN PILLAR
22. NECC N/S CANT RAIL APP TO FINISH
23. NECC O/S CANT RAIL APP TO FINISH
24. PAINT NECC BOLT HEADS & RIVETS }
25. & MASK & SPRAY TO DUPLICATE }
26. MATCH XIRELLIC COLOUR
27. ....

## TOTAL

## Units

2.00 ✓

1.00 ✓

1.00 ✓

2.00 ✓

1.00 ✓

## Est Amt

## Remarks

49.10 @ \$65.00 \$3,191.50

43.6

1814.00

## Unibody Frame

1. BLACKEN ALL NECC UNDERBODY }
2. AREAS & WHEELARCHES FROM }
3. OVERSPRAY X 2 }
4. ....

## TOTAL

2.00 1.0

2.00 @ \$49.00

\$98.00

49.00

## TOTAL LABOUR

138.70

\$5,917.50

5082.00

## Parts

## Qty

## Part No.

## List

## M/U

1. REAR BUMPER CLIP - UPPER x2 ✓
2. REAR BUMPER CLIP - END UPR x2 ✓
3. REAR BUMPER UPPER PROTECTOR ✓
4. LIFTGATE - W/ REAR VIEW CAMERA ✓
5. LIFTGATE BADGE "L" EMBLEM ✓
6. LIFTGATE BADGE "LEXUS" ✓
7. LIFTGATE BADGE "RX350" ✓
8. LIFTGATE MOULD - CHROME ✓
9. LIFTGATE GARNISH ✓
10. LIFTGATE GLASS MOULD - UPPER ✓
11. LIFTGATE GLASS MOULD - LOWER ✓
12. LIFTGATE SPOILER CLIP x1 ✓
13. LIFTGATE SPOILER CLIP x2 ✓
14. N/S SILL SKIRT CLIP x 11 ✓
15. O/S SILL SKIRT CLIP x 11 ✓
16. FUEL FILLER FLAP RIVET x2 ✓
17. N/S TURRET MOULD CLIPS X 10 ✓
18. O/S TURRET MOULD CLIPS X 10 ✓

2 x \$2.40

5259948031

12.20

5218748010

10.00

5215948903

133.00

6700548231

1180.00

9097502027

86.00

7544248060

70.50

7544348090

70.50

7681248080

86.00

7681148050E0

200.00

7557548010

22.00

7557348020

40.00

7687948020

4.60

7688944020

3.00

9046708180

30.80

9046708180

30.80

9026906017

4.80

7556152020

18.00

7556152020

18.00

INHOUSE

35.00

INHOUSE

165.00

INHOUSE

165.00

INHOUSE

320.00

COST EFFECTIVE

110.00

INHOUSE

180.00

INHOUSE

100.00

INHOUSE

15.00

INHOUSE

130.00

INHOUSE

25.00

INHOUSE

25.00

INHOUSE

25.00

INHOUSE

25.00

INHOUSE

25.00

INHOUSE

25.00

INHOUSE

165.00

## TOTAL

\$3,540.20

\$3,540.20

AD AUTO-QUOTE

ESTIMATE NO 11171

06/Sep/2010

NETT TOTAL  
PLUS GST @ 10%  
TOTAL

\$9,457.70  
\$945.77  
\$10,403.47

\$8933.82

NOTES : ACCEPTANCE APPROVAL SIGNED.....DATE.....  
THIS IS AN ESTIMATE ONLY BASED ON OUR VISUAL INSPECTION,  
OTHER DAMAGE MAY BE EVIDENT AFTER DISMANTLING.  
ARRANGEMENTS.  
ALL FOR  
STORAGE FEES @ \$80+GST PER MONTH 4 DAYS..



## Case Study 2

Vehicle type: Kia RIO

Year: 12/2006

### Facts:

1. Insurer directs and authorises repairs to one of its preferred repairers ("Repairer 1").
2. 12 April 2010 issues of poor repair work from the owner raised with Insurer.
3. 17 May 2010 insured has vehicle inspected by their preferred choice of repairer ("Repairer 2").
4. Repairer 2 raises concerns with repair work and advises insurer to attend premises for inspection.
5. 19 May 2010, Repairer 1 and insurer attend premises of repairer 2 to inspect vehicle.
6. 25 May 2010 vehicle taken to IVIC (International Vehicle Integrity Centre) to obtain report on repairs.
7. 8 June 2010, IVIC report forwarded to insurer.
8. 10 June 2010, Loss Assessor requests to view the vehicle.
9. 15 June 2010, vehicle inspected at the premises of Repairer 1.
10. 17 June 2010, Repairer 1 advised by insurer that vehicle is going to be a total loss
11. 18 June 2010 insurer provided with invoices of all outstanding debts on reports and information obtained by Repairer 1 who provided the service and obtained information.
12. 7 July 2010, insurer takes vehicle for salvage and pays out insured.

### Findings

The report from IVIC ("the Report") clearly indicated that the overall quality of repairs was poor and did not comply with the recommended manufacturer specifications, conditions of the insurance policy and legislative requirements.

Page 2 of the report identifies the issues with the repair. The vehicle was clearly not repaired in a proper or tradesman like manner. The quality of repair was in breach of the Code and section 42 of the Motor Vehicle Repairs Act 1980, namely "that the repair work done in connection with that business has been below usual trade standards".

### Photographs

Photographs clearly depict body filler used in the repair of a structural component, namely the chassis rail. Damage to the strut tower not repaired, and polyurethane used to glue on a piece of the vehicle which should in fact have been screwed on.

To the untrained eye, the repairs to the vehicle appear to be done in a proper and tradesman like manner. In reality, the repairs were so bad that the vehicle had to be taken off the road and be deemed a total loss.

Whilst the insured was finally compensated pursuant to the contract of insurance, neither repairer I or the insurance company have been disciplined.

It is our submission, that where a vehicle is deemed a total loss due to substandard repair work, then the repairer and the insurer must be under an obligation to report and there must be penalties and suspensions to deter such conduct in the future.



**Int Vehicle Integrity Centre**  
integrity without compromise

## 'CONDITION REPORT'

Date of Inspection: 31 MAY 2010 Job No: SYD/TEMP/0910/0040  
Vehicle Owner's Name: \_\_\_\_\_  
Vehicle Owner's Address: \_\_\_\_\_  
Customers Name: \_\_\_\_\_ Email: \_\_\_\_\_  
Mobile: \_\_\_\_\_ Home: \_\_\_\_\_  
**Vehicle Details**  
Make/ Model: Kia Rio Year: 2006 Rego: \_\_\_\_\_  
Speedo 77,812 Colour: Blue Insurer: AAMI  
Engine No: \_\_\_\_\_ Serial No: \_\_\_\_\_  
VIN No: \_\_\_\_\_ Metallurgy Investigation: No

Technician's Name: \_\_\_\_\_

Approving Officer: \_\_\_\_\_

### General Comments:

A Structural (under body) Tolerance Diagnostic and subsequent report to determine the condition of recent collision repairs has been requested on this vehicle.

The inspections were conducted by an internationally accredited IVIC technician using a two (2) post 'screw' hoist and motor vehicle manufacturer approved computer diagnostic equipment including Lloyds Quality Assurance approved Micrometer equipment.

### Conclusion:

*It is our expert opinion the overall quality of collision repairs is poor and **DO NOT** comply with:*

- a) Recommended Manufacturer's Specifications,
- b) The Conditions of the Insurance Policy,
- c) Legislative requirements.

*The poor standard of repairs has:*

- d) Compromised the safe integrity of this vehicle.
- e) Diminished the value of this vehicle.

This vehicle would be uneconomical to repair and should be considered a "write off"

The owner is advised to refer the vehicle with this report to their Insurer for rectification of the defects listed or, seek legal advice to recover diminished value including all subsequently incurred expenses.

A loan car of comparable value and prestige should be made available to you (free of charge) should your vehicle undergoes rectifications.

### IMPORTANT INFORMATION TO VEHICLE OWNER & ALL DRIVERS:

IVIC take it's Duty of Care responsibilities seriously. This vehicle **MUST NOT** be driven until all noted defects have been rectified to comply with points a, b & c above.

IVIC accepts no responsibility.

See details over.

IVIC: 2/595 Princes Hwy, TEMPE, NSW. 2044

Ph: (02) 9558 0600 Fax: (02) 9558 0688 W: [www.ivic.com.au](http://www.ivic.com.au) @: [info@ivic.com.au](mailto:info@ivic.com.au)

**Detailed Comments on vehicle:**

**Special Note:** The acceptable industry tolerance for structural and suspension / wheel base components is between (-) and (+) 3mm.

1. A Structural Tolerance Inspection conducted on this vehicle determined that under body structural tolerances have not been reinstated to comply with recommended manufacturer's specifications.

This vehicle has failed at three (3) tolerance points with up to 5 mm variance.

To establish the full extent of the compromised components, this vehicle requires to be dismantled and further inspected on an OEM approved Jig. See Diagnostic reports attached.

2. We note there is sufficient visual evidence to suggest that excessive heat has been applied to the chassis rail during a previous repair. As a result, the tensile strength of this component is likely to have been compromised and unfit for use. We recommend a "Metallurgical Hardness" examination be conducted to determine the structural integrity of each affected component. Alternatively we recommend the rail/s to be replaced with new components.

**Other Repair Defects Sighted-**

3. Clamp marks to N/S/F sill.
4. N/S/F brake not secured.
5. N/S/F rear sub frame has shifted (see photo attached).
6. N/S/F sub frame nut has pulled through washer (see photo attached).
7. Weld and heat applied to N/S/F rail.
8. Excessive body filler to N/S/F rail.
9. Excessive damage to N/S/F inner skirt.
10. Poor prep and paint to N/S/F strut tower.
11. Poor prep and paint to N/S/F windscreen pillar.
12. Poor prep and paint to N/S/F door.
13. Bolt non existing to N/S radiator support.
14. Excessive silicone to trim to N/S "A" pillar.
15. Clamp marks to O/S/F sill.
16. Poor prep and paint to O/S/F inner guard.
17. Poor prep and paint to O/S/F guard.
18. Poor fit to front radiator support to O/S/F rail end.
19. Nut none existing to O/S radiator support.
20. Nut stripped to radiator support.
21. Poor prep and paint to bonnet.
22. Clamp marks to O/S/R sill.
23. Clamp marks to N/S/R sill.

End of Report.

KIA  
RIO (DE)

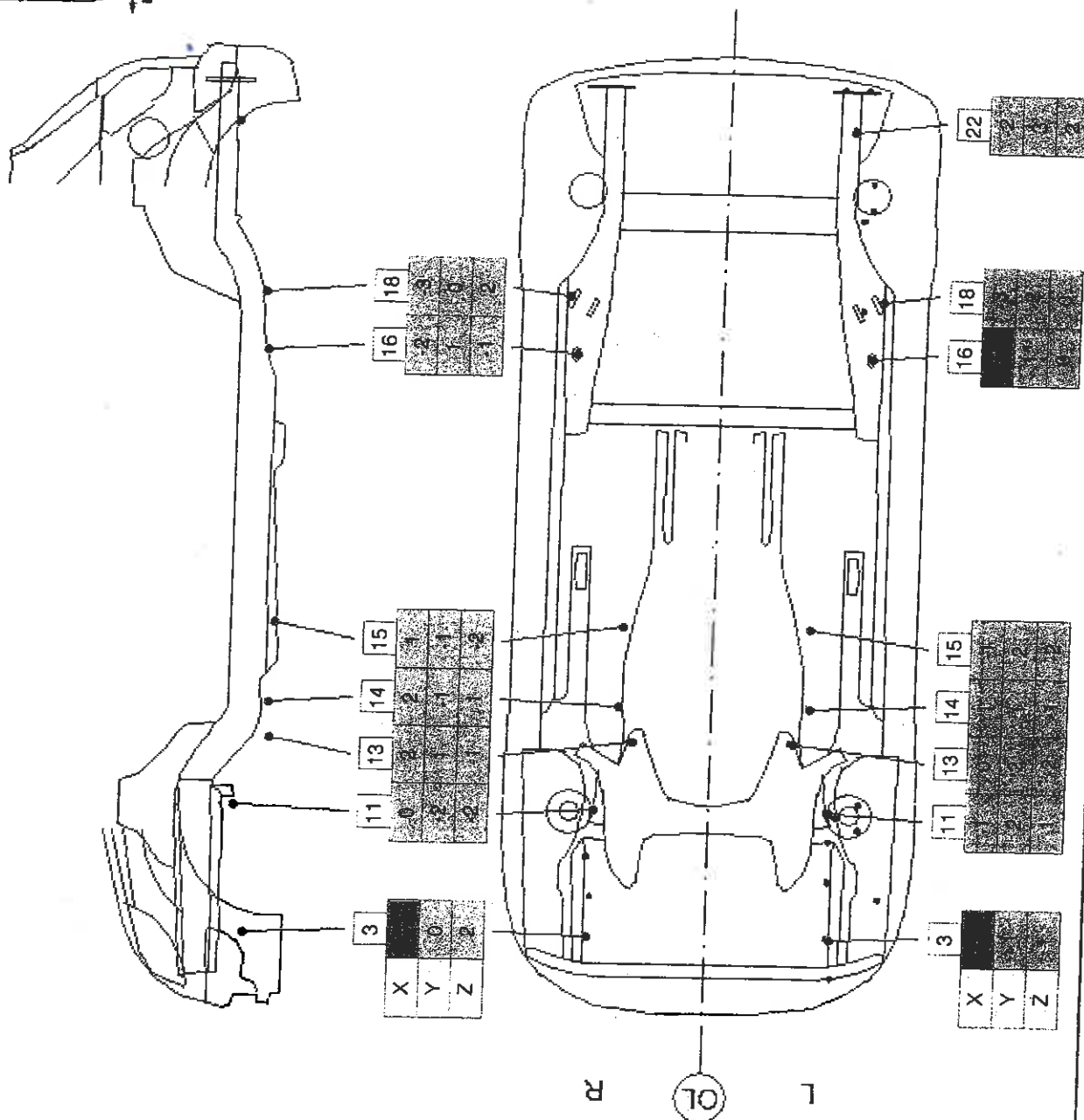
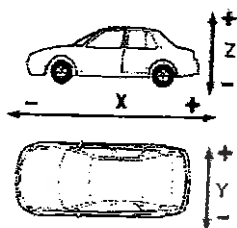


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BAJ31P  
Page 2  
27/05/2010

POINTS DIAGNOSED



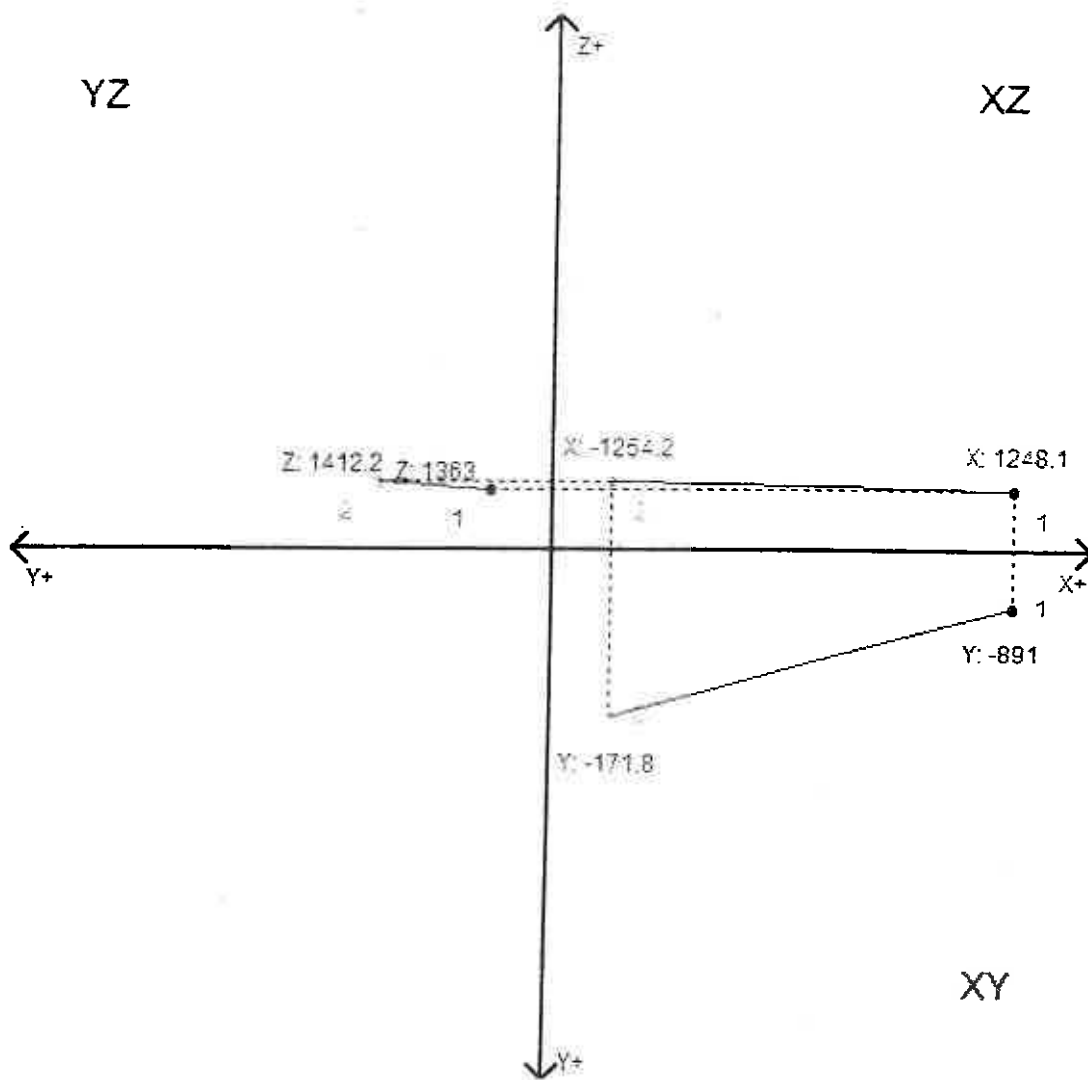
NSF LOWER CONTROL ARM HOLE TO NSR LOWER SHOCK BOLT



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KIA RIO

Page 1  
27/05/2010



### Angles

X1->X2	163.9
Y1->Y2	74.0
Z1->Z2	88.9

### Distances

X1->X2	2502.3
Y1->Y2	719.2
Z1->Z2	49.2

**Absolute 2604.1**



# WHEEL BASE - LENGTH

OSF LOWER CONTROL ARM HOLE TO OSR LOWER SHOCK BOLT



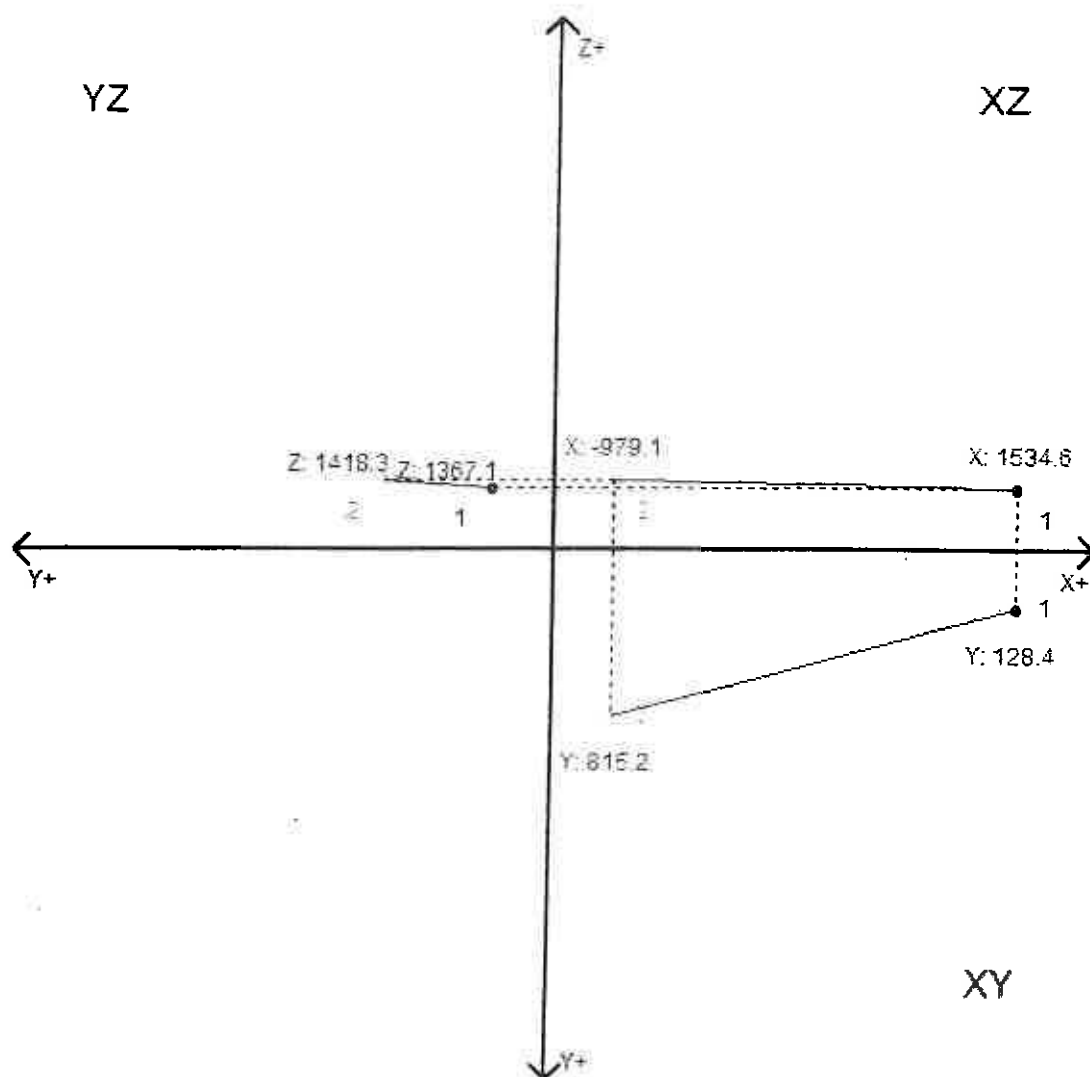
CAR BENCH

KIA RIO

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BAJ31P

Page 1  
27/05/2010



## Angles

X1->X2	164.7
Y1->Y2	74.7
Z1->Z2	88.9

## Distances

X1->X2	2513.7
Y1->Y2	686.8
Z1->Z2	51.2

**Absolute 2606.3**

NSF INNGE STRUT NUT TO NSF RAD SUPPORT MOUNT HOLE

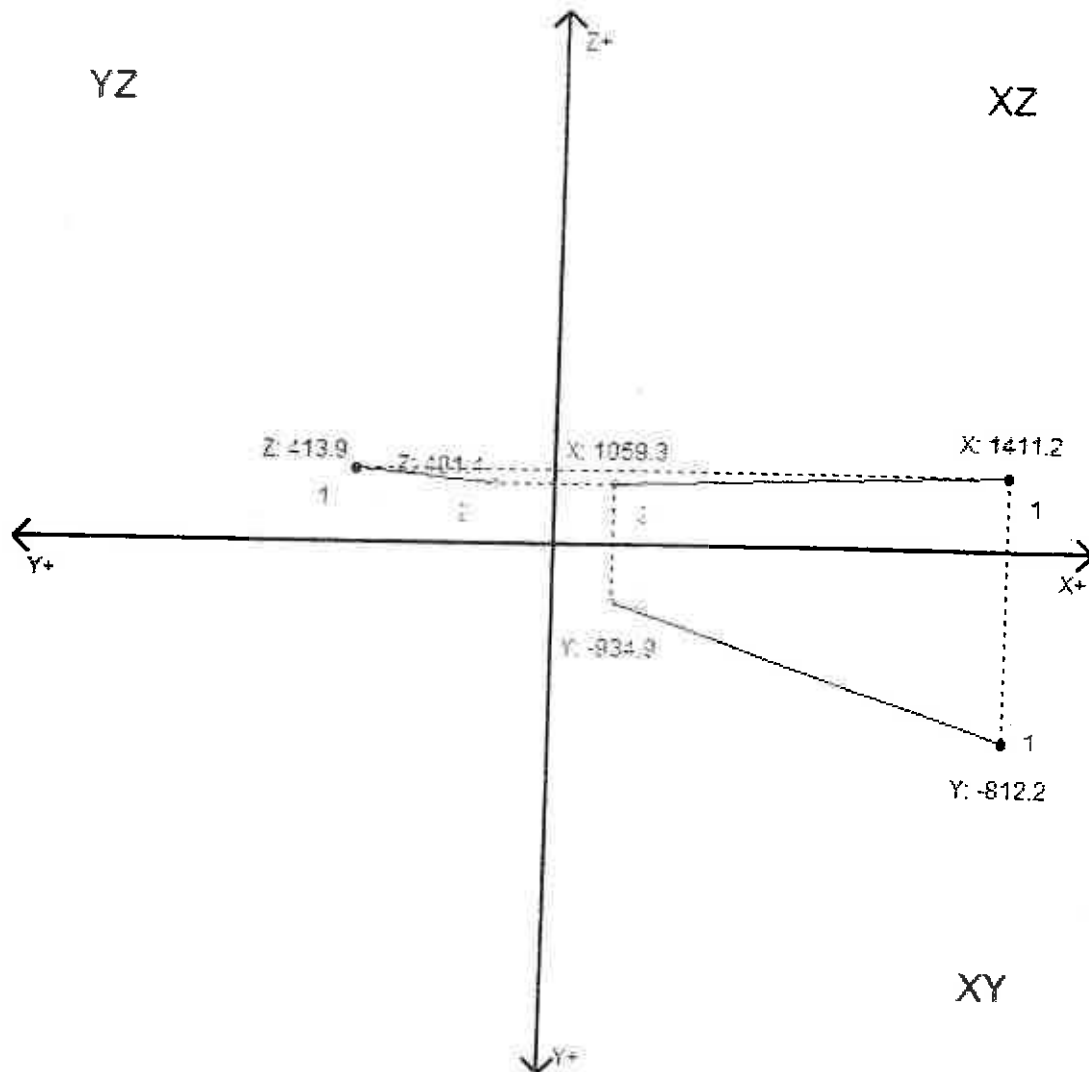


KIA RIO

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BAJ31P

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### Angles

X1->X2	160.7
Y1->Y2	109.2
Z1->Z2	91.9

### Distances

X1->X2	351.9
Y1->Y2	122.7
Z1->Z2	12.5

**Absolute 372.9**

NSF INNER START NUT TO NSF FRONT guard mount hole

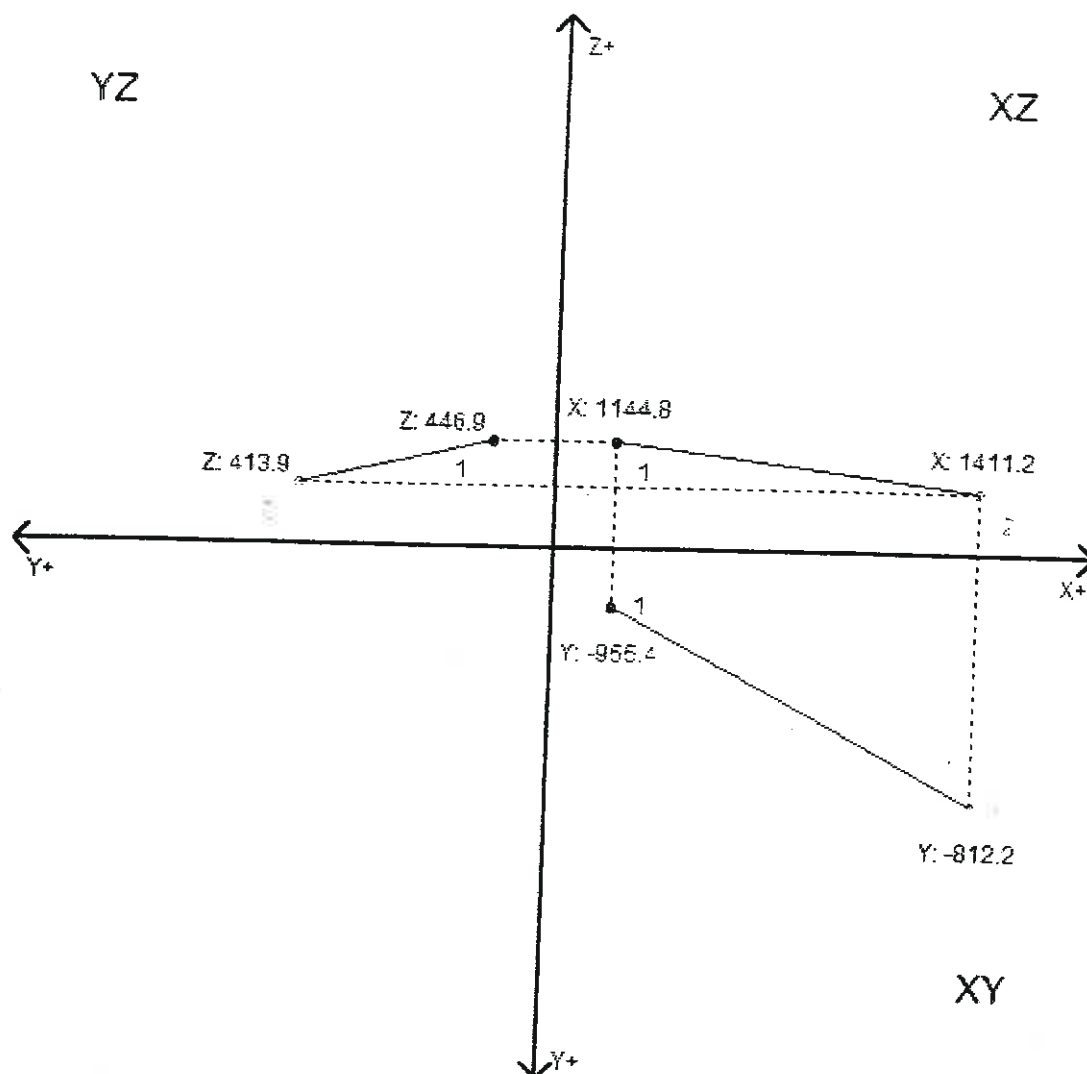


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B4J3IP

Page 1  
31/05/2010

KIA Rio



### Angles

X1->X2	28.9
Y1->Y2	61.9
Z1->Z2	96.2

### Distances

X1->X2	266.4
Y1->Y2	143.2
Z1->Z2	33.0

**Absolute 304.2**

210-10 011 LENGTH

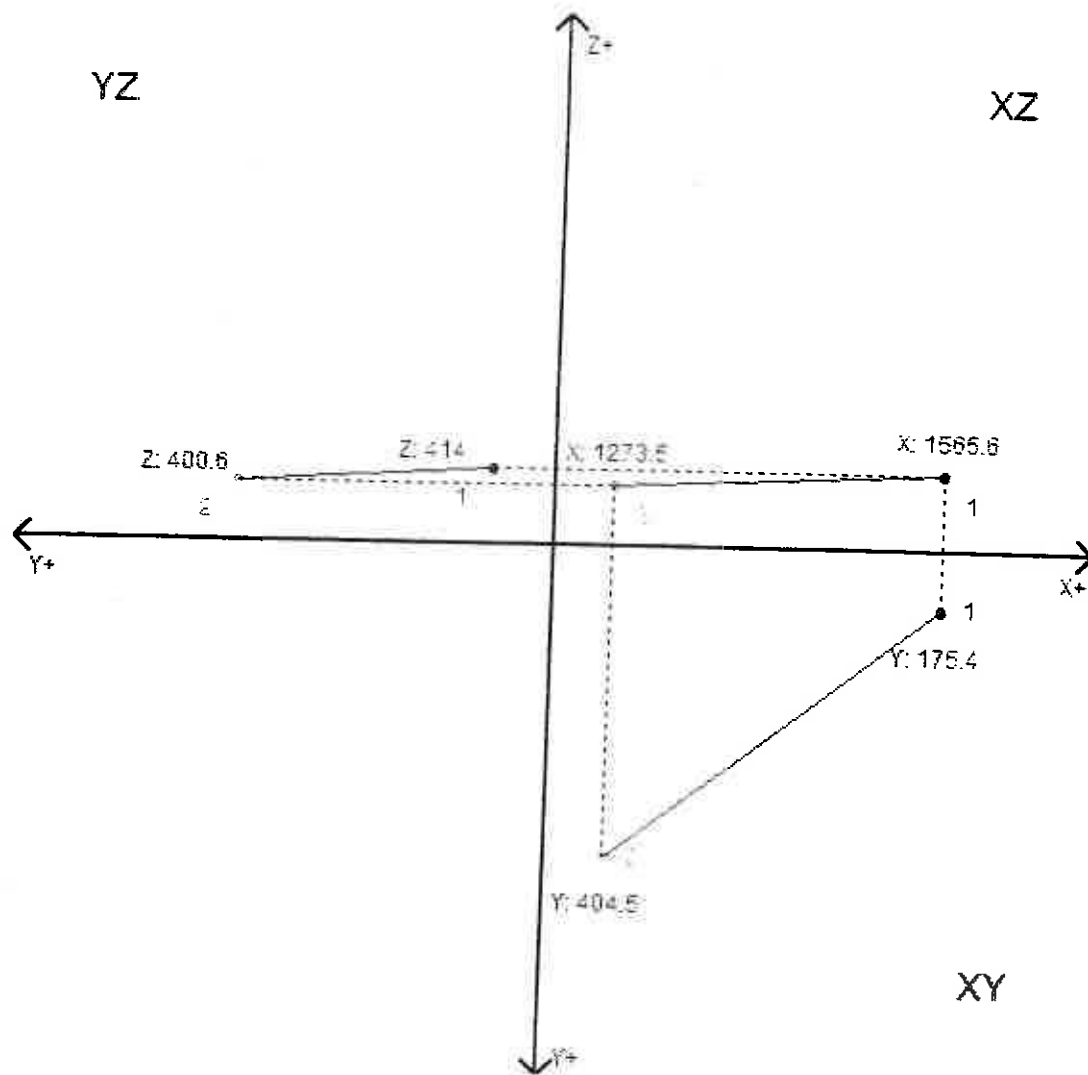
OSF INNER STRUT NOT OSF RAD SUPPORT MOUNT HOLE



KIA RIO

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Page 1  
31/05/2010



### Angles

X1->X2	141.8
Y1->Y2	51.9
Z1->Z2	92.1

### Distances

X1->X2	292.1
Y1->Y2	229.1
Z1->Z2	13.4

**Absolute 371.5**

OSF INNER STRUT MT TO OSF FRONT GUARD MOUNT HOLE



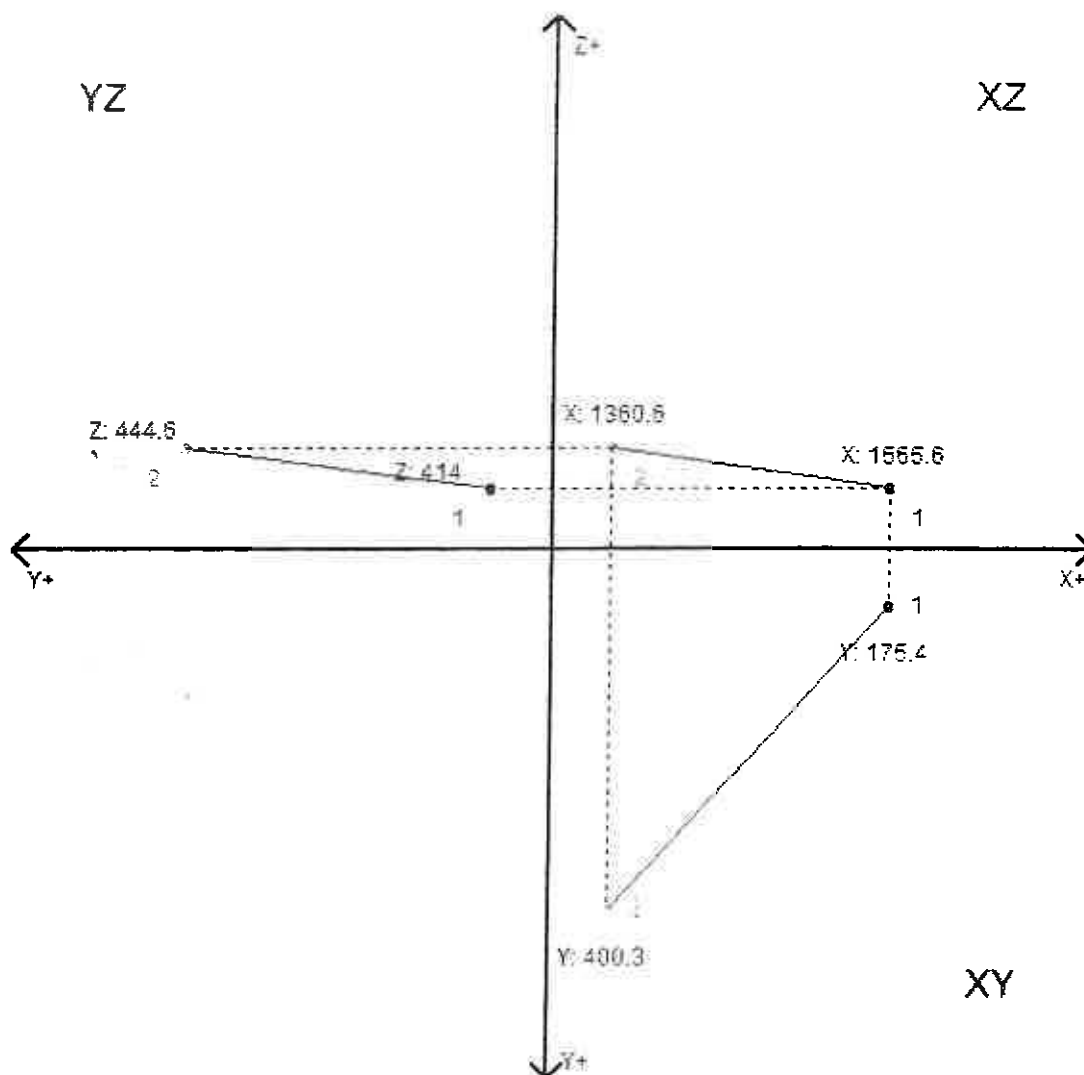
**CAR BENCH**

**CAR BENCH INTERNATIONAL s.p.a.**

BAJ31P

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ICA R10



### Angles

X1->X2	132.1
Y1->Y2	42.7
Z1->Z2	84.3

### Distances

X1->X2	205.0
Y1->Y2	224.9
Z1->Z2	30.6

**Absolute 305.8**



### Case Study 3

Vehicle type: Mitsubishi Lancer

#### Facts:

1. Vehicle arrives at the premises of Repairer 1 to be repaired for damage caused by vandalism.
2. Repairer 1 unable to take front bar off. Discovers that vehicle has had previous repairs completed by one of the insurer's Preferred Repairers.
3. The front bar is taken off. It is discovered that components of the bar have been attached/glued on with polyurethane and not repaired in accordance with manufacturer's specifications, or pursuant to the Code and the ACL.
4. This action is also in breach of section 42 of the Motor Vehicle Repairs Act 1980, namely "that the repair work done in connection with that business has been below usual trade standards".

Currently there is not to prevent the insurance company or repairers to change their practices. The conduct is unacceptable.







#### Case Study 4

Vehicle type: Lexus ES 300

Year: 2001

#### Facts:

1. Insured lodges a claim and takes vehicle to be repaired at her choice of repairer ("Repairer 1").
2. Repairer provides a quotation whilst having regard to the age and condition of the motor vehicle.
3. Repairer has a number of items in stock and accordingly quotes used parts on the following items:

(i)	N/S front bar fog lamp	\$250
(ii)	N/S/F Guard	\$450
(iii)	N/S/F door shell	\$850
(iv)	N/S/R door shell	\$850

these parts were not available to be purchased as used from any recycled parts providers.

The damage to the vehicle is quoted at \$11,222.67.

4. The insurer obtains a 2nd quote from one of its preferred repairers, (" Preferred Repairer"). Cost of repairs is \$7484.04.
5. Coincidentally the preferred repairer also quotes for the identical second-hand parts at exactly the same price as has Repairer 1.
6. On the basis of cost, the Preferred Repairer "wins" the job.
7. During the course of repairs, the Preferred Repairer obtains an additional, deleting the identical second-hand parts which Repairer 1 quoted for, and orders brand-new parts.
8. The ultimate cost of repairs charged by the preferred repairer has now increased to total \$11,241.86.
9. Repairer 1 Lodges an IDR and an EDR against the insurer. Despite clear evidence that the insurance company provided Repairer 1's estimate to its preferred repairer in order to obtain a cheaper quote, no resolution was reached.

Clause 6.1 of the Code, states:

"where competitive estimates are sought, insurers will ensure the estimation process is fair and transparent and as far as is practicable, that estimates are comprehensive, complete and inclusive of all obvious damage."

In this instance, the estimation process was not clear and transparent. If Repairer 1 or the consumer had standing to commence legal proceedings, then a proper outcome would have been achieved.

The insurer clearly breached its obligations by providing Repairer 1's quote to their preferred repairer. This was done to steer the work to the cheaper preferred repairer.

<u>Replace</u>	<u>Units</u>	<u>Est Amt</u>	<u>Remarks</u>
BUMPER COVER & D/A INC FOAMS/COVERS }			
ATS/VENTS ETC 2 MAN OPERATION }	5.00		
AR SLIDES + RECLIP & RESET	0.20		
AR BRKTS + RECLIP & RESET	0.20		
NO PLATE FRAME - OPTION	0.10		
NDERBODY LINER & CLIPS (F)	0.60		
NDERBODY LINER & CLIPS (R)	0.40		
CK PANEL TRIM & RECLIP	0.30		
ONT LAMPS & REFOCUS (ZENON)	1.60		
ADLAMP FITTINGS & TRANSFER INTERNALS	1.00		
RS/TRAYS & SEALS & RESET AUTO	1.20		
T D/A TO REFINISH INCL GRILLE	2.00		
VNET STRUTS & RECLIP	0.20		
UARD & RESEAL	2.00		
PPER GUARD TRIM/SEALS/CLIPS ETC	0.60		
UARD MOULD & CLEAN BODY	0.30		
UARD MOULD & CLEAN BODY (UPPER)	0.50		
UARD LINER/EXTENSIONS & CLIPS	0.60		
UARD LINER/EXTENSIONS & CLIPS	0.60		
UARD WHEELARCH MLD & CLIPS	0.40		
T WHEELS TO ACCESS LINERS	0.40		
T WHEELS TO REFIT LINERS	0.40		
UARD INNER VERTICAL COVER	0.30		
_ MOULD/SEALS/MUDSPATS ETC & RECLIP	1.60		
DOOR D/A SHELL	14.50		
DOOR D/A SHELL	14.00		
IF DOOR MIRROR & HOUSING	1.00		
RET DRIP MOULD/CLIPS ETC (X LARGE)	1.00		
.AMP ASSY/GASKET & FITTINGS ETC	0.60		
/S/R QTR FITTINGS/VENTS/SUNROOF DRAIN	0.40		
ID APP SEAL+ REAPPLY SEALER	0.40		
LLER FLAP + DRILL + RIVET/NECK SURROUN			
OLINOID & FUEL CAP }	1.60		
HEELARCH MOULD & CLIPS	0.40		
SE MASK N/S FRONT SCREEN - TO SAVE	1.00		
SE MASK N/S REAR SCREEN - TO SAVE	1.00		
S & DISS BATTERY	0.30		
....			
	56.70 @ \$29.00	\$1,644.30	

Ign

; REPAIR REAR BUMPER COVER & HIFILL }  
PRIME TO FINISH }

6.00

....  
;RT ASSY & FOWARD EXTENSION INC RAD }  
IT & HEADLIGHT PANEL & SQUARE UP FRON

**TO-QUOTE**

<u>Item</u>	<u>Units</u>	<u>Est Amt</u>	<u>Remarks</u>
ALIGN MOUNT POINTS + MULTIPLE TRIAL FIT OF VAL COMPONENTS & DRESS PULL CLAMP } TO FINISH }	8.00		
.....			
DOOR REPAIR N/S/F DOOR MIRROR & HIFILL & } TIME TO FINISH }	2.00		
.....			
TR & DOGLEG - FILE FINISH INCL NECC PAINT PREP METAL SURFACE FOR HIFILL APPLICATION K REPAIR AREAS TO FINISH }	18.00		
.....			
Fit on the Following N/S/F & N/S/R DOOR TO ESTABLISH PILLAR } E OR ALIGNMENT REQUIRED			
.....			
.....			
	34.00 @ \$31.10	\$1,057.40	

BUMPER COVER	5.00		
BUMPER TOWHOOK COVER	0.50		
JARD (OUT)	3.50		
JARD (INN)	1.00		
JARD MOULD	0.50		
TR (OUT)	7.50		
DOOR (OUT)	5.00		
DOOR (IN)	1.50		
DOOR MOULDS (UPPER/LOWER)	2.00		
DOOR MIRROR COVER & BASE	1.50		
DOOR (OUT)	4.50		
DOOR (IN)	1.50		
DOOR MOULDS (UPPER/LOWER)	2.00		
TRAIL RAIL & SCREEN PILLAR (LARGE SALOON)	2.00		
TRAIL PANEL (LARGE SALOON)	5.50		
TRAILER FLAP	1.00		
TRAILER FUEL BUCKET TO FINISH	0.50		
MOULD/SKIRT	2.00		
DOOR INNER ENGINE COMPARTMENT REPAIR } TO FINISH }	1.50		
ATCH			
...			
	48.50 @ \$57.00	\$2,764.50	

us			
VAL NECC UNDERBODY AREAS } ARCHES X 2 }	1.00		
...			
DOOR FRAME (UPPER) SATIN BLACK	1.50		
DOOR FRAME (UPPER) SATIN BLACK	1.50		
...			
	4.00 @ \$49.00	\$196.00	

<b>TOTAL LABOUR</b>	<b>143.20</b>	<b>\$5,662.20</b>
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	<u>Qty</u>	<u>Part No.</u>	<u>List</u>	<u>M/U</u>
BUMPER COVER				

NO-QUOTE

2. FRONT BUMPER CLIP - N/S END	5253530150	5.97
3. FRONT BUMPER BRKT N/S	5211633060	29.30
4. FRONT BUMPER BRKT OUTER N/S	5206533010	62.55
5. FRONT BUMPER FLASHER N/S	8174133042	43.87
6. FRONT BUMPER FOGLAMP N/S	USED	
7. N/S/F GUARD		
8. N/S/F GUARD MOULD	7562433160E0	33.20
9. N/S/F GUARD LINER	5387633140	147.54
10. N/S/F GUARD LINER CLIPS	STOCK	20.00
11. [REDACTED]		
12. N/S/R DOOR WEATHERSTRIP - FRONT	6789633010	31.62
13. N/S/F DOOR MOULD - UPR	7573233200E0	169.30
14. N/S/F DOOR MOULD - LWR	7573633040E0	169.30
15. [REDACTED]		
16. N/S/R DOOR MOULD - UPR	7574233190E0	113.02
17. N/S/R DOOR MOULD - LWR	7574633040E0	131.62
18. BONNET BADGE "L" EMBLEM	7533133060	47.75
19. O/S/R DOOR DECAL "CHILD LOCK"	6933912010	1.70
20. N/S/R DOG-LEG PROTECTOR TAPE	5874833020	23.49
21. ....		
22. WHEEL ALIGNMENT FACTORY SPECS	NO INVOICE	120.00
23. SEAM SEAL NEW PANEL & REBEAD	INHOUSE	45.00
24. RIVETS & CLIPS & CAGE NUTS	STOCK	20.00
25. STRIP+BALANCE N/S/F WHEEL/TYRE	NO INVOICE	35.00
26. CAVITY WAX	INHOUSE	24.00
27. ENVIRONMENTAL LEVY	INHOUSE	6.00
28. REPAIR & PAINT N/S/F ROADWHEEL	INHOUSE	350.00
29. RETAPE DOOR MEMBRANE x 2	INHOUSE	20.00
30. RETAPE DOOR MIRROR MEMBRANE	INHOUSE	5.00
31. BOOTH ALLOWANCE	INHOUSE	80.00
32. SPECIALIST TO FIT DECAL - N/S	NO INVOICE	30.00
<b>TOTAL</b>		<b>\$4,540.23</b>

**\$4,540.23**

<b>NETT TOTAL</b>	<b>\$10,202.43</b>
<b>PLUS GST @ 10%</b>	<b>\$1,020.24</b>
<b>TOTAL</b>	<b>\$11,222.67</b>

NOTES : QUOTE & IMAGES SUBJECT TO COPYRIGHT

**AQ AUTO-QUOTE**

Type	Description	Hours	Rate	Net Total
R&R	N/S/F DOOR MIRROR D/A FOR PAINT			\$30.00
R&R	N/S/R DOOR & DIS/ASS			\$180.00
R&R	N/S TURRET MOULD			\$12.00
R&R	N/S/F DOOR & DIS/ASS			\$180.00
R&R	2 TAIL AMPS			\$12.00
R&R	UNDER FRT BODY TRAYS			\$12.00
R&R	2 REAR INNER GAURD LINERS			\$12.00
R&R	BOOT TRIMS COMPLETE			\$45.00
R&R	ROPE REAR SCREEN			\$30.00
R&R	N/S/F GUARD MOULD			\$6.00
R&R	FUEL FLAP & READJUST			\$9.00
R&R	WHEEL ALIGNMENT FRT & REAR			\$100.00
R&R	N/S/R SLAM PILLAR FITTINGS			\$15.00
R&R	N/S/F GUARD STAY BRACKETS			\$6.00
R&R	TOP RAD SUPPORT GARNISH			\$9.00
R&R	2 HEADLAMPS			\$24.00
R&R	2 FRONT GUARD LINERS			\$24.00
R&R	FRONT BUMPER REINFORCEMENT			\$15.00
R&R	FRONT BUMPER & DIS/ASS			\$60.00
R&R	N/S/F GUARD			\$42.00
R&R	REAR BUMPER & DIS/ASS & SENSORS			\$60.00
R&R	BONNET & DIS/ASS INC GRILLE & BADGE			\$45.00
R&R	FRONT BUMPER REINFORCEMENT UPPER			\$9.00
R&R	2 X TOP GAURD BOLT GARNISH			\$6.00
R&R	PLENUM COVERS			\$12.00
R&R	ROPE FRT SCREEN			\$30.00
R&R	BOOT SEAL			\$9.00

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Parts			Quantity	Unit Price	Net Total
Type	Number	Description			
New	9026904051	N/S/F DOOR FRAME MOULD RIVET	8	\$0.77	\$6.16
New		COMPUTER RECODE	1	\$125.50	\$125.50
New	9026906017	FUEL FILLER FLAP RIVET x2	2	\$2.48	\$4.96
New	7573233200E	N/S/F DOOR MOULD	1	\$169.30	\$169.30
New	0		8	\$0.77	\$6.16
New	9026904051	N/S/R DOOR FRAME MOULD RIVET	1	\$65.35	\$65.35
New	5211433130	FRONT BUMPER BRKT OUTER N/S	2	\$1.94	\$3.88
New	9018906006	N/S SILL SKIRT CLIP x2	1	\$0.00	\$0.00
New		*DOOR INTRUSION BARS DAMAGED*	1	\$29.92	\$29.92
New	5258933040	REAR BUMPER OUTER BRKT N/S	1	\$17.59	\$17.59
New	5384633060	N/S/F GUARD STAY	1	\$147.53	\$147.53
New	5387633140	N/S/F GUARD LINER	10	\$0.77	\$7.70
New	9026904051	REAR BAR RIVETS	1	\$0.00	\$0.00
New		--- Report on the Following	4	\$2.63	\$10.52
New	9046707164	N/S/F GUARD LINER CLIP x4	1	\$1.55	\$1.55
New	9017905102	FRONT BUMPER FLASHER CLIP x1	1	\$29.30	\$29.30
New	5211633060	FRONT BUMPER BRKT N/S	1	\$0.00	\$0.00
New		TURRET MOULD CLIPS	1	\$33.19	\$33.19
New	7562433160E	N/S/F GUARD MOULD	1	\$0.00	\$0.00
New	0		4	\$3.10	\$12.40
New	9046705113	REAR BUMPER CLIP - UPR	1	\$23.49	\$23.49
New	5874833020	N/S/R DOG-LEG PROTECTOR TAPE	1	\$2.15	\$2.15
New	9008081053	FRONT BUMPER FLASHER GLOBE N/S	1	\$43.88	\$43.88
New	8174133042	FRONT BUMPER FLASHER N/S	1	\$250.00	\$250.00
Recy	8122133190	FRONT BUMPER FOGLAMP N/S	1	\$850.00	\$850.00
Recy	6700233130	N/S/F DOOR	1	\$850.00	\$850.00
Recy	6700433140	N/S/R DOOR	1	\$450.00	\$450.00
Recy	5380233130	N/S/F GUARD			
				<b>Parts sub-total:</b>	<b>\$3,861.67</b>

#### Report Items

Estimate Repair days required: 12

Quote Version: 2

Assessor: [REDACTED] Assessed: 8 December 2011 Status: Win

Sub-total: \$6,803.67  
 GST: \$680.37  
 Less Customer Contribution: \$0.00  
 Quote total: \$7,484.04

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Labour				
Type	Description	Hours	Rate	Net Total
R&R	WIPERS			\$6.00
R&R	N/S/F BAR END SLIDE			\$6.00
R&R	PLENUM SEAL			\$3.00
R&R	N/S SILL COVER & CLIPS			\$15.00
Repair	REAR BUMPER COVER			\$60.00
Repair	N/S/R QTR PANEL			\$150.00
Repair	N/S/F DOOR MIRROR			\$30.00
Repair	N/S/F SILL FLARE			\$15.00
Labour sub-total:				\$1,279.00

Paints				
Type	Description	Hours	Rate	Net Total
Paint	N/S/F GUARD MOULD			\$27.50
Paint	MIX & MATCH			\$30.00
Paint	N/S/R DOOR (OUT+IN)			\$187.00
Paint	TOP FRT BAR REO			\$55.00
Paint	SEALERS TO DOOR SHELLS			\$20.00
Paint	N/S/F DOOR MOULD			\$55.00
Paint	N/S/R QTR PANEL			\$165.00
Paint	ENVIRO LEVY			\$6.00
Paint	BOOTH ALLOWANCE, 2Hrs x Rate 19			\$80.00
Paint	N/S/F DOOR MIRROR 2 PIECE			\$66.00
Paint	BLACKEN 2 INNER DOOR FRAMES			\$110.00
Paint	BONNET BLEND			\$137.50
Paint	N/S/F GUARD (OUT+IN)			\$137.50
Paint	N/S/F DOOR (OUT+IN)			\$192.50
Paint	N/S/F GUARD STAY			\$16.50
Paint	N/S/R DOOR MOULD			\$55.00
Paint	CAVITY WAX			\$20.00
Paint	FRONT BUMPER COVER			\$165.00
Paint	N/S CANT RAIL & SCREEN PILLAR COMPLETE			\$82.50
Paint	BLEND N/S/R SLAM PILLAR			\$55.00
Paint sub-total:				\$1,663.00

Parts					
Type	Number	Description	Quantity	Unit Price	Net Total
Exch	5211933928	FRONT BUMPER COVER (P)	1	\$375.00	\$375.00
New	9010906283	FRONT BUMPER CLIP - UPPER xAR	6	\$1.24	\$7.44
New	5206533010	FRONT BUMPER UPPER REO	1	\$62.56	\$62.56
New	7587433020	N/S/R W/ARCH MOULD	1	\$63.83	\$63.83
New	9098113048	FRONT BUMPER FOGLAMP GLOBE N/S	1	\$27.09	\$27.09
New		*10 WORKING DAYS*	1	\$0.00	\$0.00
New	7533133060	BONNET BADGE "L" EMBLEM	1	\$47.75	\$47.75
New	7586730110	N/S SILL SKIRT CLIP x7	7	\$3.25	\$22.75
New		*CANNOT LOCATE USED PARTS*	1	\$0.00	\$0.00
New	7574233190E 0	N/S/R DOOR MOULD	1	\$113.02	\$113.02
New	6933912010	N/S/R DOOR DECAL "CHILD LOCK"	1	\$1.70	\$1.70

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Labour		Hours	Rate	Net Total
Type	Description			
R&R	RELEASE RAD SUPPORT FITTINGS			\$30.00
R&R	N/S/F SKIRT FITTINGS			\$45.00
R&R	FOLD BACK FRT LOOMS & CABLES			\$15.00
Repair	N/S/F SKIRT & BRACE WELD ON (BOXED)			\$180.00
			Labour sub-total:	\$270.00

Paints		Hours	Rate	Net Total
Type	Description			
Paint	BLEND N/S/F SKIRT & BRACE			\$55.00
			Paint sub-total:	\$55.00

Parts			Quantity	Unit Price	Net Total
Type	Number	Description			
Exch	EXCHANGE	DELETE FRONT BUMPER	1	\$375.00-	\$375.00-
New		DELETE N/S/F GAURD	1	\$450.00-	\$450.00-
New	8122133190	N/S/F FOG LAMP	1	\$357.22	\$357.22
New		DELETE REAR BAR RIVITTS	1	\$7.70-	\$7.70-
New	7573633040E	N/S/F DOOR LOWER MOULD	1	\$169.30	\$169.30
New	9007566001	N/S/F DRIVE LAMP BRACKET	1	\$12.48	\$12.48
New	6700433140	N/S/R DOOR	1	\$1,230.11	\$1,230.11
New	5380233130	N/S/F GAURD	1	\$964.60	\$964.60
New	9046707164	GAURD LINER CLIPS X 2	1	\$5.26	\$5.26
New	9026903064	DOOR LOWER MOULD RIVITS x 7	7	\$0.77	\$5.39
New	5211933928	FRONT BUMPER	1	\$603.62	\$603.62
New	6700233130	N/S/F DOOR	1	\$1,365.58	\$1,365.58
New	8117033480	N/S/F HEADLAMP	1	\$872.74	\$872.74
New		DELETE FOG LAMP	1	\$250.00-	\$250.00-
New		RETAINER FRT BUMPER	1	\$5.97	\$5.97
New	5253530150	REAR BAR CLIPS 10	1	\$34.90	\$34.90
New	5216116010	DELETE BRACKET OUTER	1	\$0.00	\$0.00
New		N/S/F FOG LAMP GLOBE HOLDER	1	\$0.00	\$0.00
New	6789633010	N/S/R DOOR FRONT VERT SEAL	1	\$31.62	\$31.62
New	7586733030	SILL SKIRT CLIP X 2	1	\$14.88	\$14.88
New		DELETE FLASHER GLOBE	1	\$2.15-	\$2.15-
New		DELETE N/S/F DOOR	1	\$850.00-	\$850.00-
New		DELETE SKIRT CLIP	1	\$2.88-	\$2.88-
New		RESET COMPUTER CODES	1	\$125.00	\$125.00

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Parts			Quantity	Unit Price	Net Total
Type	Number	Description			
New	9046709006	BONNET PAD CLIPS	13	\$1.39	\$18.07
New	5214633040	N/S BRACKET OUTER	1	\$53.41	\$53.41
New	9913212050	FLASHER GLOBE	1	\$3.65	\$3.65
New		<del>DELETE N/S/R DOOR</del>	1	<del>\$850.00</del>	<del>\$850.00</del>
New	9046708185	CLIPS BUMPER X 3	1	\$5.13	\$5.13
			<b>Parts sub-total:</b>		<b>\$3,091.20</b>

#### Report Items

Estimate Repair days required: 0

Quote Version: 2

<b>Sub-total:</b>	\$3,416.20
<b>GST:</b>	\$341.62
<b>Less Customer Contribution:</b>	\$0.00
<b>Quote total:</b>	<b>\$3,757.82</b>

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Authority

Invoice amount (incl. GST)

\$3,757.82

\$7,484.04

Invoice amount (excl. GST)  
GST

\$10,219.87

\$1,021.99

Invoice total

\$11,241.86

Collected Contribution Amount

\$0.00

Collected Excess Amount

\$0.00

Cost of repairs (incl. GST)

~~\$11,241.86~~

*This invoice request is reproduced from data supplied electronically.*

DDMMYY

### Case Study 5

Vehicle type: Ford Falcon

Year: 2006

#### Facts:

- ☛ insured nominates vehicle to be towed to choice of repairer ("Repairer 1").
- ☛ Repairer 1 submits quotation at cost of **\$15,500.00**. Repairer 1, identifies damage to the crossmember and estimates accordingly.
- ☛ Insurer obtains 2 further quotations from its preferred repairers. One quote is for **\$12,500.00** and one for **\$8,500.00**.
- ☛ Insurer awards the job to the cheapest quote of **\$8,500**.
- ☛ After repairs are completed, insured returns vehicle back to the Preferred Repairer for rectification work.
- ☛ Preferred Repairer not able to repair vehicle in a tradesman like manner. Insured takes vehicle back to Repairer 1.
- ☛ Repairer 1 submits rectification quote for \$12,500.
- ☛ Repairs are so poor that vehicle is deemed a total loss and insured is paid \$31,000.00

#### Issues

in this case study, both the Preferred Repairer and the Loss Assessor failed to properly identify and assess the damage to the vehicle. The Preferred Repairer was authorised the job because they were the cheapest.

As a result of the inexperience and inability of the Loss Assessor to properly identify the correct method of repairs, the repair work was authorised to the cheapest repairer. Consequently, a vehicle which was structurally unsafe was put back on the road risking not only the occupants of the vehicle but other road users.

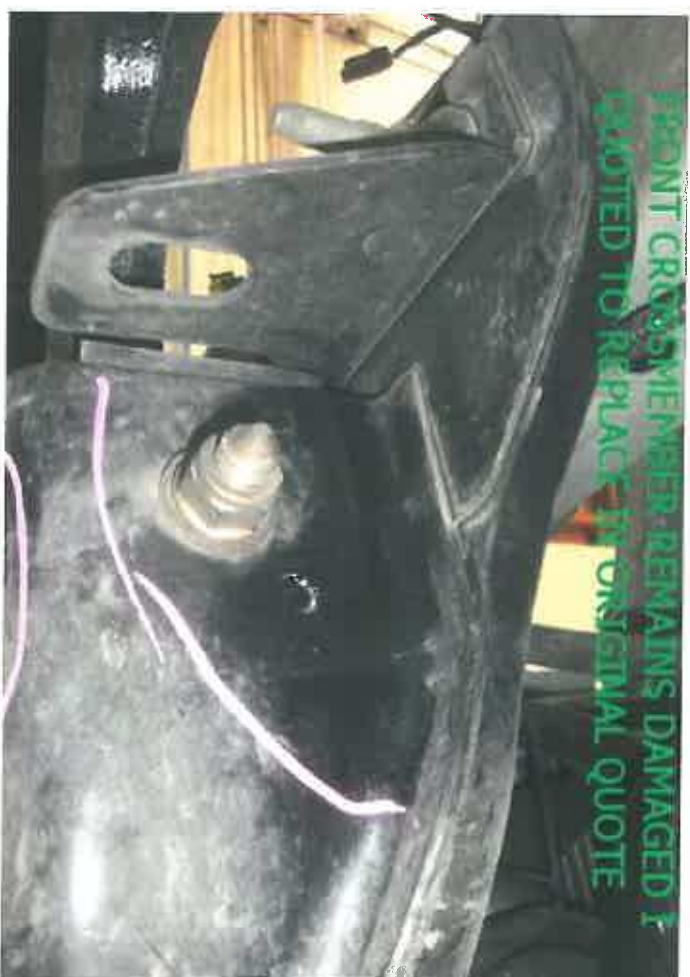
Under an effective disciplinary regime and proper licensing scheme, disciplinary action can be taken against both the Loss Assessor and the Preferred Repairer. Measures such as imposing fines and suspension of licences would act as a deterrent to both the Preferred Repairer and the Loss Assessor.

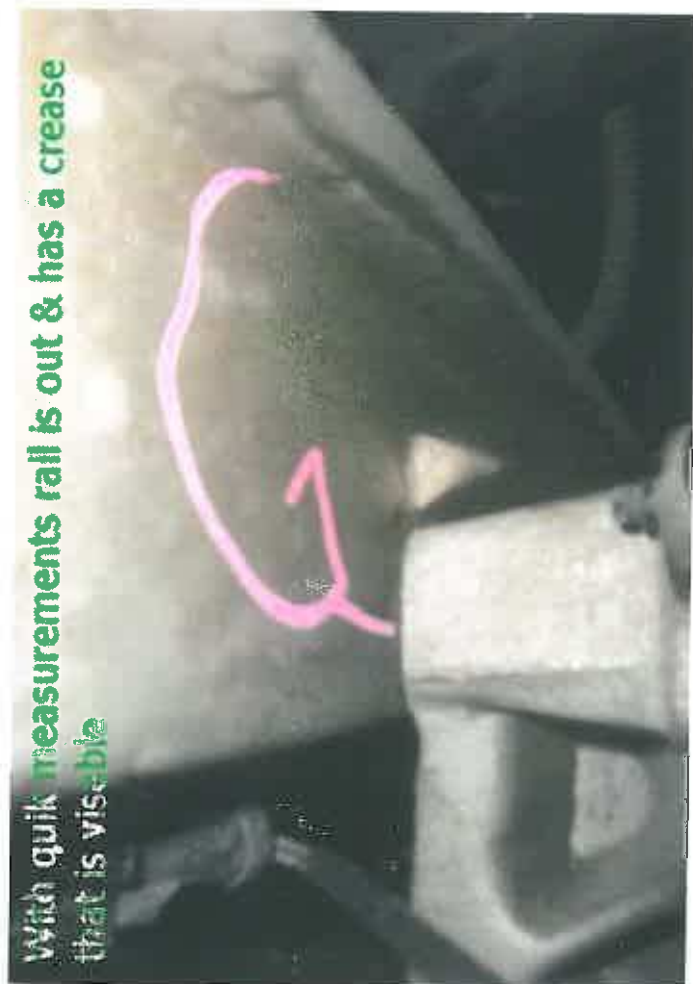
The Code should be amended to give the consumer and the repairer the right to commence action against the Preferred Repairer, the Loss Assessor and or the insurer. This would expedite matters and eliminate the administrative costs for Department on investigating and then commencing proceedings in the local or Supreme Court.

This would prevent Repairers from adopting incorrect methods to repair vehicles. It would also prevent Loss Assessors from being influenced by their employers to only authorise work based on cost.











Original supplier:

Responsible supplier:

Engaged by us: yes / no

Rectifying supplier:

Issue raised:

17/08/2009

Stage reported:

AFTER DELIVERY/PIC

Issue type:

UNKNOWN

Issue raised by:

INSURED

Comment:

SUSPENSION RATTLE, CHISLE MARK ON ROOF, CHUNK OUT OF

Areas for rectification:

Paintwork

Panel repair

Parts

Responsible:

Resolution:

Rectification / Lifetime / 3 years / Additional / Not consistent

PAINT CHIP NS TURRET

NSR WHEEL & TYRE DAMAGED

GAPS NSR BAR TO QTR FLARE

SUSPENSION NOISE & VIBRATION STEERING

BRAKES SHUDDER

OS SILL SKIRT TO BOTTOM DOOR GAP

\* OVERSPRAY ON ENGINE

\* NUTS LOOSE

\* SEAT MOVING

\* BOLTS LOOSE

(AIRDS RD  
MENTO)

Resolved:

Called repairer:

Extra days:

Vehicle returned to repairer:

Quality follow up required:

Yes / No

Re-inspection at

Estimated compl

Date:

① hel HIC today

② ...

③ Sight IV

④ ...

Dick sight N.

Damage.

Old damage:

Notes:

### Labour

REMOVE & REFIT	FRONT B/BAR D & A	\$53
REMOVE & REFIT	L/H/F SKIRT SHORT	\$90
REMOVE & REFIT	L/H HEADLAMP D & A	\$12
REMOVE & REFIT	RADIATOR SUPPORT L/H	\$46
REMOVE & REFIT	AIR FILTER BOX	\$15
REMOVE & REFIT	RESONATOR BOX	\$12
REMOVE & REFIT	L/H/F GUARD	\$40
REMOVE & REFIT	L/H/F GUARD REPEATER LAMP	\$3
REMOVE & REFIT	L/H/F GUARD SPLASHTRAY	\$6
REMOVE & REFIT	L/H/F GUARD MOULD	\$3
REMOVE & REFIT	BONNET D & A	\$56
REMOVE & REFIT	AIR COND. DEGAS & REGAS	\$110
REMOVE & REFIT	AIR COND. CORE	\$20
REMOVE & REFIT	RADIATOR & COWL - AUTOMATIC	\$20
REMOVE & REFIT	A/C PIPEWORK	\$15
REMOVE & REFIT	L/H SILE PANEL SKIRT	\$20
REMOVE & REFIT	L/H/F DOOR D & A & RESKIN	\$215
REMOVE & REFIT	WIRING LOOM	\$15
REMOVE & REFIT	CABIN PILLAR TRIM	\$15
REMOVE & REFIT	L/H SEAT BELT	\$6
REMOVE & REFIT	L/H DOOR APETURE FITTINGS	\$15
REMOVE & REFIT	L/H TRAY PANEL MOULD	\$6

# MOTOR VEHICLE REPAIR QUOTE

## Labour

REMOVE & REFIT	TRAY SKIRT	\$15.00
REMOVE & REFIT	WHEEL ALIGNMENT	\$40.00
REMOVE & REFIT	L/H/R TAIL LAMP D & A	\$6.00
REPAIR & ALIGN	L/H/F DOOR FRAME	\$70.00
REPAIR & ALIGN	L/H CABIN PILLAR PANEL	\$200.00
REPAIR & ALIGN	L/H TRAY PANEL	\$45.00
REPAIR & ALIGN	RADIATOR SUPPORT TOP LOCK PANEL	\$45.00
OTHER	R/H/F SUSPENSION D & A	\$220.00
OTHER	PRESS BEARINGS	\$60.00
OTHER	detail interior coke stain	\$200.00
REPAIR & ALIGN	n/s sill panel	\$197.50
REMOVE & REFIT	release tray suit repairs	\$90.00

## Paint

Labour sub-total: \$1,981.50

PAINT	FRONT B/BAR	\$198.00
PAINT	L/H/F SKIRT SHORT	\$30.00
PAINT	RADIATOR SUPPORT L/H	\$30.00
PAINT	L/H/F GUARD IN & OUT	\$102.00
PAINT	BONNET IN & OUT	\$240.00
PAINT	MOULDS	\$60.00
PAINT	L/H SILL PANEL SKIRT	\$90.00
PAINT	L/H/F DOOR IN & OUT	\$162.00
PAINT	L/H DOOR APETURE	\$40.00
PAINT	L/H CABIN PILLAR PANEL	\$90.00
PAINT	L/H TRAY PANEL [Blend]	\$120.00
PAINT	2 PACK BAKE ALLOWANCE	\$80.00
PAINT	MIX AND MATCH	\$30.00
PAINT	GRILLE	\$50.00
PAINT	RADIATOR SUPPORT TOP LOCK PANEL	\$30.00
PAINT	n/s sill panel	\$78.21

Paint sub-total: \$1,430.21

## Parts

NEW	FOAY16006A	1	L/H/F GUARD	\$225.00
NEW	FOBA16B069A	1	L/H/F GUARD MOULD	\$25.00
EXC		1	FRONT B/BAR COVER - PAINT TO SUIT	\$780.00
NEW	FOBAF17D927A	1	FRONT B/BAR ABSORBER L/H	\$45.45
NEW	FOBA17E919A	1	FRONT B/BAR BRACKET L/H	\$22.83
NEW	FOBA15K201A	1	FRONT B/BAR FOGLAMP L/H	\$123.59
EXC		1	L/H HEADLAMP	\$216.00
NEW	FOBA16B561A	1	L/H/F GUARD LINER	\$34.45
NEW	FOV860243A6C	9	L/H/F GUARD LINER CLIPS	\$26.55
NEW	FOV840058SS6	9	L/H/F GUARD LINER RETAINER	\$26.55
NEW	FOAY16612A	1	BONNET	\$379.60
NEW	FOV860346S300	12	BONNET SOUND PAD CLIP	\$36.60
NEW	BAF219N651A	1	TUBE A/C COMP INLT	\$212.80
NEW	FOR133	1	RADIATOR COOLANT - 5 LITRE	\$62.52
NEW	FOBAF16147A	1	RADIATOR SUPPORT HEADLAMP PANEL L/H	\$31.65
NEW	FOBA9A600A	1	AIR FILTER BOX LOWER	\$122.19
NEW	FOBA17618A	1	WASHER BOTTLE	\$42.66
NEW	FOBAC9D653U	1	POLLUTION CANISTER	\$146.16
NEW	BAF216045B	1	APRON FRT FENDER LH	\$124.35
NEW	FOAY16B045A	1	L/H/F SKIRT UPPER BRACE	\$60.11
NEW	FOAU22B663A	1	L/H/F HUB & BEARING ASSEMBLY	\$154.85
NEW	FOBA3106B	1	L/H/F STUB AXLE	\$523.39
NEW	BAF23A053A	1	ARM ASSY SUSP FRT LH	\$664.53
NEW	FOBAF3045B	1	L/H/F UPPER CONTROL ARM	\$241.43
NEW	FOBA3K651A	2	STEERING TIE ROD	\$180.80

# MOTOR VEHICLE REPAIR QUOTE

## Parts

NEW FOBA3289A	2	STEERING TIE ROD END	\$208.3
NEW FOAU25B482C	1	L/H SWAY BAR BRACKET	\$28.6
NEW FOAU2F20205A	1	L/H/F DOOR SKIN	\$170.0
NEW FOBAF20781A	1	L/H/F DOOR MOULD - PAINT TO SUIT	\$56.9
NEW FOAU2F20555A	1	L/H/F DOOR FRAME MOULD REAR	\$24.8
NEW FOBACP291A35A	1	L/H SUPERCAB MOULD	\$41.4
NEW FOBACP29039A	1	L/H BODY SIDE PANEL MOULD FRONT	\$69.8
NEW FOR133	1	COOLANT	\$62.5
NEW FOAU23B439A	1	SWAY BAR LINK	\$49.8
NEW	1	n/f wheel alloy	\$332.4

Parts sub-total: \$5,553.7

## Sublets

RECEIVER DRYER  
TYRE

AIR COND. RECEIVER DRYER & BRACKET  
n/s/f achilles245/35/19

Repair days required:

Sub-total: \$8,965.5

GST: \$896.5

CURRENT QUOTE (INCL. ADJUSTMENTS)

Quote total: \* \$9,862.0

Assessor: DAAR

Assessed: 14/07/2009

Status: AUTHORISED

Authorised: 14/07/2009

## Case Study 6

Vehicle type: metallic silver Jaguar x type

Year: 2009

### Facts

1. Insured lodges a claim and obtains an estimate from his choice of repairer ("Repairer 1").
2. Cost of repairs estimated at \$11,642.35. Repairer 1, also quotes to paint a number of panels as specified by the manufacturer.
3. Insurer obtains an estimate from one of their preferred repairers ("the Preferred Repairer").
4. The Preferred Repairer estimates the cost of damage at approximately \$3,400. Insurer authorises repair work to the cheapest quote prepared by the Preferred Repairer.
5. Repairer 1 lodges an IDR with the insurer.
6. The insurer responds by stating that:

"in the circumstances, I am satisfied we did consider your quotation, but it was not the most competitive and therefore eliminated, in line with its competitive quoting system..... I am satisfied our assessor had the necessary experience in their field to make such judgement and without evidence to the contrary, I can rely on their opinions. In all the circumstances, I am satisfied that we have complied with our obligations under the code."

7. Insured not satisfied with insurers conclusion, therefore authorises Repairer 1 to repair the vehicle.
8. Repairer 1, takes the vehicle to a Jaguar dealership to inspect the damage to the suspension. The dealer estimates the damage at \$11,044.88. Items requiring replacement were integral components of the steering and suspension system namely, the sway bar, strut, hub and wheel bearing, crossmember, steering rack, lower control arm, ball joint and road wheel.

### ISSUE

Firstly, the Preferred Repairer provided an estimate which was incomplete such that it neglected to quote for steering components which were visibly damaged. The loss assessor, inspected the damage to the vehicle but also failed to identify visibly damaged steering components.

The loss assessor, then awarded the repair work to their Preferred Repairer on the basis of cost, notwithstanding that physically damaged mechanical items were not quoted for.

The question raised, is if the Preferred Repairer was subject to disciplinary action, or court proceedings for breach of the Code or the Act, would they have neglected to provide an incomplete estimate, or put simply it cheaper repair estimate.

Likewise if the loss assessor was subject to disciplinary action pursuant to a licensing regime, or court proceedings for breach of the Code or the Act, would they have authorised the repair work to their Preferred Repairer.













## Case Study 7

Vehicle type: Lexus RX

Year: 2009

### Facts

- insured involved in motor vehicle accident.
- Insured contacts lodges claim and advises insurer vehicle is to be taken to his choice of repairer ("Repairer 1").
- Insurer makes derogatory comments about Repairer 1 and steers insured to their Preferred Repairer
- on representations made by the insurer, vehicle is taken to Preferred Repairer.
- After 4 weeks, vehicle is repaired and insured collects vehicle.
- Upon taking possession of vehicle, repairer and notices problems with the wiring, paint work, and damage to inner door trim.
- Repairer 1 prepares estimate to rectify work.
- Quality of work is so bad, that insurer writes the vehicle off and provides the insured with a brand-new vehicle valued over \$100,000.

### ISSUE

The repairer continues to be Preferred Repairer, notwithstanding that the repair work done in connection with that business was below usual trade standards.

The insurer who made defamatory representations in relation to Repairer 1 continues to steer and authorise repair work to its Preferred Repairers without fear of retribution or disciplinary action.

### Events as reported by a Consumer

On the 3<sup>rd</sup> of August 2013, at roughly 9AM, my car was involved in an accident. It was hit while being driven by another driver, on Hotham Parade, Artarmon, by going into the back of another car.

It was hit outside [REDACTED] in Artarmon, and was moved into their driveway to be assessed and repaired/any necessary actions taken against the car.

The initial repairer [REDACTED], who advised me that "the car will never be the same again". They never told me the exact quote of the car repair, but said that it was approximately \$25,000 without any mechanical parts and labor. They also advised me that "if it was my car, I wouldn't feel safe driving it again". The reason for this, was that the chassis was bent by over 20mm, and the other had a crack from the bend. They had advised me that they will pull the chassis back, to as close as possible to 100%, and then reassess the car. I then called a few places, Mazda included, and they advised me that this isn't Mazda Repair Methods, and both rails will need to be changed, which will involve the entire front of the car (including dashboard and seats) to be removed in order to do this. [REDACTED] told me that if this will need to happen, it will NEVER be the same.

The assessor at the time (unnamed to me) didn't agree with the feelings of [REDACTED] the repairer about the damage of the car, and requested a repair, so they recommended I take the car out and take it to another repairer, for a second opinion and assessment, and at my own expense the car was towed out of their workshop.

The car was then towed to [REDACTED] on Whiting Street Artarmon, where it was booked in and assessed by [REDACTED] and [REDACTED] the repairer, for over 3 weeks. [REDACTED] the repairer quoted the car at roughly \$20,000 in damage, without mechanical parts and additional costs. The [REDACTED] insurance assessor assigned to me was [REDACTED] the assessor. They both knew my concerns about driving the car after it being 'repaired' and assured me it would be done to 100%.

The method they had chosen to take to repair the car, was a cold pull to 100% on the chassis and rails, and it would be an easy repair, no replacement necessary.

We then spoke to Tom Kerr Mazda's service department and just asked if the job was to be done, would it still be done to Mazda Standards. They advised us it would never be done to Mazda Standard.

Once hearing this news, we spoke to [REDACTED] (the repairer) and [REDACTED] the assessor to voice our once again concerns. They both advised us that while it isn't Mazda Standard, it's Industry Standard. I then asked about the method a second time, and was told a different story by [REDACTED] the repairer staff. I was then told it would be pulled to 95% and then reassessed. Due to the stories changing so many times with their department, I needed clarification.

I then spoke to [REDACTED] the assessor on the phone, asking him to give this to me in writing, just so I can keep it on file incase anything ever happened. He refused. [REDACTED] (driver of the car at time of accident) then also spoke to him (being a mechanic) and asked him why he couldn't send us the itemized quote of repair, and all the repairs being done in writing. He advised us that this isn't what [REDACTED] (the insurer) does, and he doesn't feel safe giving it in writing, because he can't verify the repair himself, as he knew nothing about the car, specifications, and didn't know what was being done and didn't want to be held reliable. We advised him the call was being recorded, and he then got aggressive, and told us he won't do anything.

We then advised [REDACTED] the repairer that the car was going to IVIC as soon as it was done being repaired.

After a month of being thrown around, [REDACTED] the repairer then called me in and told me that he doesn't want to do the job, and he recommends a total loss on the car. This all happened as soon as we told them about IVIC, which just further proves that they all knew it was a loss, but didn't want to do the write off, for whatever purposes.

I had spoken to NRMA numerous times on the phone, and they advised it has a lifetime warranty on all repairs being done. The point wasn't if it had a lifetime warranty; the point was that if they didn't fix the car properly/replace all the parts correctly to Mazda standard, lifetime warranty or not, it would only take one wrong accident and the chassis would collapse, as it wouldn't be strong enough to withstand another hit.

On a Friday I rang up [REDACTED] the insurer once again after hearing this news, and the lady on the other line advised me that she could see a note from [REDACTED] the insurer that he has put his recommendations in to be a total loss. He also advised me his senior (name unknown) has also been to see the car and recommends it to be a total loss. The following Monday, [REDACTED] the insurer rang me and told me that both of their senior's manager has assessed the notes and has overwritten the recommendation of a write off, and they should continue with repairs.

I then spoke to [REDACTED] the insurer and asked him to give me a payout figure of the car in the state it is in, as I will not drive the car after all the unnecessary play around done by 5 [REDACTED] assessors, and 3 panel beaters.

A few days later, he called me back and told me he has done the calculations, and the payout figure was roughly \$23000 including GST, to which I refused, because the car was worth double that, and I had already been without a car for over 2 months, paying [REDACTED] the insurer paying the lease, and was put out of work for a few days, having to borrow/rent cars. For the car rental, it was costing me near \$40 per day, but it was unnecessary for me to pay \$40 a day, when they had the car for exactly 48 days, which would have totaled

He advised me that condition of the payout was that I had to sell the car, in the state it is, which I had already received quotes, and no one would pay more than \$5,000 for the car in the condition, for parts only.

██████████ the insurer then called me to let me know that the car was taken to ██████████ 2<sup>nd</sup> repairer, and was given to ██████████ the 2<sup>nd</sup> repairer and he would recommend that 2<sup>nd</sup> repairer ██████████ does the job, because he is a preferred ██████████ repairer.

The 2<sup>nd</sup> repairer ██████████ called me and asked about the story of the car, and why it has moved so many times. I advised him that I don't feel safe driving the car anymore, and that I have been told it is a total loss by numerous smash repairers, but ██████████ the insurer still wants to proceed with the repairs.

The next day, he called to let me know that it was an easy fix, no where near a write off, and that he can do the repair with \$17,000. I also advised him that it was gong to IVIC, and he said he had no problems with that.

The car was then repaired by ██████████ the 2<sup>nd</sup> repairer after almost 6 weeks. Once I collected the car, I could hear sounds coming, when I did a full turn, and when it veered left, and I advised Tony about the issue, and he said to take it back and he would have a look at it.

My IVIC appointment was already booked in, so I just took to IVIC instead of taking it back to ██████████ the 2<sup>nd</sup> repairer.

IVIC then did the reports, and sent it to ██████████ my lawyer.





**Int Vehicle Integrity Centre**  
integrity without compromise

## 'POST COLLISION REPAIR REPORT'

Date of Inspection: 18 November 2013 Job No: SYD/TEMP/1314/0162  
Vehicle Owner's Name: [REDACTED]  
Vehicle Owner's Address: [REDACTED]  
Customers Name: AS ABOVE Email: [REDACTED]  
Mobile: [REDACTED] Home: [REDACTED]  
**Vehicle Details**  
Make/ Model: Mazda 3 MPS Year: 2012 Rego: [REDACTED]  
Speedo: 275022Km Colour: Black Insurer: [REDACTED]  
Engine No: [REDACTED]  
VIN No: [REDACTED] Metallurgy Investigation: No

Technician's Name: [REDACTED]

Approving Officer: [REDACTED]

### General Comments:

The owner has requested an inspection and subsequent report to determine the condition of recent collision repairs conducted to the abovementioned vehicle. The following diagnostics have been requested.

- 1) A Structural (under body) Tolerance Diagnostic.
- 2) A Paint Micron Diagnostic.
- 3) A General Quality Diagnostic.

The inspections were conducted by an internationally accredited IVIC technician and motor vehicle manufacturer approved computer diagnostic equipment including Lloyds Quality Assurance approved Micrometer equipment.

### Conclusion:

*It is our expert opinion the overall quality of collision repairs is poor and **DO NOT** comply with:*

- a) Recommended Manufacturer's Specifications,
- b) The Conditions of the Insurance Policy,

*The poor standard of repairs has:*

- c) Compromised the safe integrity of this vehicle.
- d) Diminished the value of this vehicle.

This vehicle would be uneconomical to repair and should be considered a "write off"

The owner is advised to refer the vehicle with this report to their Insurer for rectification of the defects listed or, seek legal advice to recover diminished value including all subsequently incurred expenses.

A loan car should be made available to you (free of charge) should your vehicle undergoes rectifications.

### IMPORTANT INFORMATION TO VEHICLE OWNER & ALL DRIVERS:

IVIC take it's Duty of Care responsibilities seriously. This vehicle **MUST NOT** be driven until all noted defects have been rectified to comply with points a, b & c above.

See details over.

**Detailed Comments on vehicle:**

**Special Note:** The acceptable industry tolerance for structural and suspension / wheel base components is between (-) and (+) 3mm.

1. **Structural Diagnostic** - A Structural Tolerance Inspection conducted on this vehicle determined that under body structural tolerances have been reinstated to comply with recommended manufacturer's specifications.
2. **Paint Micron Diagnostic** - Acceptable OE paint application is up to 120 microns. A micron reading of repaired areas over 200 microns is an indication of excessive paint and / or body filler application.  
  
Best micron read to repaired areas for this vehicle was between 83.5 microns to an **unacceptable reading of 233 microns**.

All repaired areas showing in excess of 200 microns require to be "paint stripped" and repainted, or, panels replaced and painted.

**General Condition Diagnostic -**

1. Clamp marks to the O/S/F sill panel.
2. Clamp marks to the N/S/F sill panel.
3. Clamp marks to the O/S/R sill panel.
4. Clamp marks to the N/S/R sill panel.
5. Poor repair of the O/F/R rail.
6. Bare metal welds to O/S/F rail. (Corroding)
7. O/S/F rail has been modified-20mm hole. (Not to manufactures specification)
8. Retaining fastener missing from the N/S/F splash guard.
9. N/S/F rail has been modified-20mm hole. (Not to manufactures specification)
10. Retaining fastener missing from the front lower bumper bar cover.

***End of report***



## Post Repair Vehicle Report

IVIC (International Vehicle Integrity Centre) have required me to inspect and comment on repairs conducted to a Mazda 3 MPS Registration No: [REDACTED]

### Findings

1. O/S rail end replacement not welded correctly and clear signs that the rail end has been changed and is very evident with grinding/sanding marks.
2. O/S/Rail end has exposed welds which have not been primed or painted to protect the rail from corrosion which is starting to form.
3. The O/S/Rail has a non standard hole drilled in to it for what could only be access to repair the rail. Under the manufacturer guidelines this is not allowable and therefore creates a weakness in the rail making the Rail unsafe and may not perform in the manner intended during an impact.  
Adding to this the Hole was easily discovered by a non standard grommet fitted and fresh proofcoat sprayed only over the grommet area to give the appearance that this hole is meant to be there from manufacture. After taking the grommet away what was more suprising was the hole was buzzed/sanded over to smooth the drill burs and no primer or paint was applied.
4. The N/S/Rail also has a non standard hole drilled in to it for what could only be access to repair the rail. Under the manufacturer guidelines this is not allowable and therefore creates a weakness in the rail making the Rail unsafe and may not perform in the manner intended during an impact.  
Again adding to this the Hole was easily discovered by a non standard grommet fitted and fresh proofcoat sprayed only over the grommet area to give the appearance that this hole is meant to be there from manufacture. After taking the grommet away what was more suprising was the hole was buzzed/sanded over to smooth the drill burs and no primer or paint was applied. What also brought attention to this rail was the metal burs from a drill sitting inside the rail.
5. O/S/F Door top edge along the waste mould dry and not enough coverage.
6. N/S/F Door top edge along the waste mould dry and not enough coverage.
7. Bolts and clips missing from splash shields.
8. The N/S & O/S Sill panels still have clamp marks visible again clearly showing the vehicle has been repaired.
9. The N/S and O/S Lower gurads can clearly be seen that they are freshly painted compared to the sill panels and no proofcoat applied. This easily done when and if the sill clamp damage would have been repaired.
10. The O/S Skirt brace has since of repair with hammer and impact marks visble.
11. O/S/Door to guard gaps not properly aligned
12. N/S/Door to guard gaps not properly aligned
13. Evidence of blemishes and dust in panels painted in these repairs
14. The Images attached speak for themselves

**Conclusion**

On initial inspection of this the vehicle the repairs appeared to be to with in an industry standard with minor issues that could have been rectified with out fuss. However upon discovering that both the N/S and the O/S rails had two significantly large non standard/Manufacturer holes drilled into them and the O/S/Rail End not correctly replaced deems this vehicle unsafe to be driven and would require both Chassis Rails replaced.

A brand new Mazda 3 from a local Mazda Dealership was inspected along with reviewing Mazda's manufacturer data information was used to determine the non-standard/Manufacturer holes drilled into the Chassis Rails.

Due to these findings it places the owner and other road uses at risk. The vehicle should be written off and the RMS Roads & Maritime Services notified of this vehicle.

[REDACTED]