

**Submission
No 20**

MOTOR VEHICLE REPAIR INDUSTRY

Name: Name Suppressed

Date Received: 13/02/2014

Submission for inquiry into relations between Insurers and Repairers.

Dear Committee Members,

I manage and run a smash repair business. The owners of the company choose to attend to work duties, remain on the workshop floor, repair vehicles for customers and provide hands on supervision and training of staff.

By now you may have received many examples into poor relations between the repairers and insurers of other companies. While my submission addresses such issues, it is based more on how I believe these problems can be corrected.

The Code of conduct

I believe that the code of conduct is about 90% correct however it needs to be more clear and direct in providing answers to both parties so that it cannot be manipulated. I believe there needs to be a Panel of Representatives working on all code issues or disputes, so that a positive outcome can be reached.

A further emphasis upon outcomes needs to take place, as while the code of conduct is very good in providing policy no one is arbitrating or policing it, which is a major issue. I believe that it is achievable but I question if both sides truly want to fix the industry. Disputes at the moment are not fair and transparent and the way the Insurers are responding unfortunately to say they are a waste of time.

How do we police the code?

What I believe needs to be introduced is a licence points system, similar to the Driver License system currently enforced by the Roads and Maritime Services (RMS). This system should be enforced upon all parties who would hold this license including; Insurance companies, Assessors and Repair Shops.

Should there be a dispute, it would be addressed by the Panel of Representatives, whom monitor the code of conduct, and they would hear the dispute. Their role would be to arbitrate the dispute, find an outcome and find someone at fault. If someone is at fault a fine or penalty should be enforced, with points taken away from their license. For instance, if all points were to be lost on an Assessors license then they would not be able to assess vehicles for any Insurer for a set period or until all points are returned. I also believe that a loss of points should not be returned for at least 5 to 10 years depending on the severity of the fault.

I strongly believe that if this system was in place, and successfully implemented than the Code of Conduct would be respected by all parties as it should be and would most importantly benefit the customer. With this system customers would not be caught in the middle of disputes between Insurers and Repairers, and therefore benefit 100% from a smooth process, with their vehicle being repaired in a safe and timely manner as it should.

Choice of Repairer

I believe that the choice of repairer by customers should be the number one priority on every policy. Every customer should be allowed to get their vehicle repaired where they prefer, with the Insurer and repairer working together to fix the vehicle in a safe and timely manner. If the customer is uncertain on where to go, then the Insurer should then recommend and advise the customer on some local repairers they can see based on their postcode.

One Quoting Methodology Needed

The 2006 enquiry advised the future need to move to Real time Real Money Methodology (RTRM), however with 8 years now passed, we still have large problems for us to write quotes in Real Time Real Money Methodology. *(I can provide examples if required)*. This enquiry must enforce the need for all parties to adopt 1 methodology of quoting, to embrace it and work collaboratively to benefit the process as well as the customer. A date must be set on this change.

Insurers' Ownership of Repair & Parts facilities

I believe that MTA and industry can provide evidence and just cause that ownership of repair facilities by Insurance Companies only leads to poor and unsafe vehicle repairs, with customers having to exhaust all avenues to get compensated. This needs to be outlawed immediately. I also believe that a recall on all insurance owned smash repair facilities and their repaired cars is needed as soon as possible to ensure that no customer is driving an unsafe vehicle. I know that this is a big call, however the rate of structurally repaired vehicles looked at by the industry that have been repaired to a poor standard and required to be at a total loss; as they cannot be repaired at a cost effective price as they have been so badly repaired and unsafe is way too high and cannot be ignored.

In closing I have ample evidence to back all comments I have made if required. I would just like to be able to concentrate 100% on our workshop, giving customers the best service possible, and repairing the vehicle to manufacturer's specifications, without the presence of disputes which delay this process.

Changes to be made

1. Choice of Repairer across all policies.
2. Code of Conduct Policed
 - a. Licence for all with a points system and loss of points if a deliberate breach is found.
 - b. Fines and penalties introduced
3. Vehicles repaired to manufacturers specifications.
 - a. Manufactures to supply more simple and straightforward specifications needed to repair their Makes and Models. If a cost is required to obtain the information it needs to be paid for by Insurers as part of a claim.
 - b. Paint manufacturers methods to fix the vehicle correctly needs to be recognised and implemented by Insurers and Repairers for the benefit of customers.
4. Anti steering legislation.
5. Insurers not to own Repair Facilities or Parts Facilities.