

# BULLETIN

## Body Repair Division



Reference No: BRD 05-16

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### Contract Assessor & Employee Assessor Breaches of the New Code

Dear Member

VACC has received a number of complaints from our members in relation to the conduct of some Insurers utilising contract assessors to prepare quotes instead of assessing quotes in the usual way.

The principles of the [new Code](#) which came into effect on 1 January 2016 are clear for all to read and understand. In summary, we believe our members ought to draw the following to the attention of assessors regardless if they are working for or working on behalf of Insurers who are signatories to the Code:

- The Code is intended to promote transparent, informed, effective and co-operative relationships between smash repairs and insurance companies, based on mutual respect and open communication.
- Signatories to the Code agree to observe high standards of honesty, integrity and good faith in conducting their business with each other and the provision of services to customers, and observe Australian law.
- Insurers will authorise repairs covered by their policy with the objective of:
  - a) restoring the safety, structural integrity, presentation and utility of the motor vehicle;
  - b) complying with relevant Australian law; and
  - c) fulfilling their obligations to the policyholder in accordance with the provisions of their policy and the provisions of the General Insurance Code of Practice relating to insurance claims.
- Signatories to the Code agree that at all times they, their staff and their representatives will behave in a professional and courteous manner. This includes not engaging in, condoning or permitting behaviour that is offensive, harassing, threatening, inappropriate, abusive, bullying or intimidating.

VACC note that the Code defines **Code approved assessor** as one who complies with Clause 4.3 of the New Code. The relevant provision of which refers to the assessor's role as follows:

*Provide vehicle loss assessment and identify repair requirements; apply insurance knowledge to vehicle loss assessment; evaluate vehicle body work for damage and identify repair requirements; evaluate vehicle paint work for damage and identify refinish requirements; provide vehicle total loss assessments or their equivalent.*

It is the position of VACC that Insurers are in breach of these Code obligations by utilising Code approved assessors, including contractor assessors, to:

- a) refuse to assess estimates prepared by repairers;
- b) prepare their own quotes and assess those quotes.

On any view, VACC understands an assessor preparing his own quote and then assessing that quote places himself in a clear conflict of interest situation. He cannot possibly do both fairly.

By refusing to assess estimates, the assessors breach not only the Code, but policy obligations and Australian Consumer Law.

I have attached a link to the VACC IDR builder.

I recommend any member who has been affected by such breaches completes the [IDR submission builder](#) (you only need to complete the essential general details about them and the Insurer concerns) and tick section 4.3 Code Approved Assessors. You can also use text from this bulletin and populate the sections where you are able write your concerns and why they have breached the Code and then submitted it to the appropriate insurers IDR email address. There is a comprehensive email address list for all Insurers signatory to the Code.

Best regards

John Guest

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