

# BULLETIN

## Body Repair Division



Reference No: BRD 17-17

Date issued: 16/08/2017

### URGENT BULLETIN - ARE YOU BEING PAID FAIRLY FOR YOUR REPAIR WORK? (Requested or Authorised)

Dear BRD member,

As part of testing the voluntary Motor Vehicle Insurance & Repairer Industry Code of Conduct (the "Code") VACC has reviewed over 200 Internal Dispute Resolution (IDR) cases submitted by our members over the past 18 months or so.

A significant theme is the failure of insurers to pay repairers for legitimate repair expenses/costs. The manner in which some insurers approach fair payments is sporadic and ad hoc.

Where reasonable expenses are incurred by repairers, covered by the relevant Product Disclosure Statements (PDS) and the Motor Vehicle Insurance and Repairers Code of Conduct (the "Code"), these payments need to be honoured by the insurer. Examples include when the PDS provides cover for the policyholder for:

- Recovery of reasonable towing costs (accident tow docket and/or trade tow).
- Storage handling and storage charges.

VACC also recommends that in dealing with insurers on these issues members need to inform the relevant 'relationship manager' that storage costs may be incurred if the vehicle is to be stored at the premises and awaiting assessment and up until the time the repair authority is issued or the vehicle is removed in the case of a write off etc. The insurer must inform you in writing that vehicle is to be removed and for what purpose.

If for example, the damaged vehicle may be written off and if the insurer requests a formal estimate of the damaged vehicle, you should also let the insurer's relationship manager know in the first instance that reasonable storage costs and costs for preparing the estimate requested may also be incurred. You should always seek to get 'requests' for work in an email or confirm the verbal request by sending the assessor an email.

It is when these conditions noted above are present, the insurer should not refuse payment of reasonable costs.

Signatories to the voluntary Code are bound by the Code, and they have committed to paying repairers as per the Code for all work completed, that has been authorised or requested.

If you believe that you are entitled to payment of legitimate and reasonable repair work costs but have been denied or are still chasing payment longer than 30 days after you submitted your invoice, VACC has prepared a simple online submission template (take the link below).

#### Make your submission by taking this link

[Failure to pay for Legitimate Expenses Payment Breach](#)

Once you make your submission, VACC will lodge the internal dispute application via the Code via the Code Administration Committee (CAC) website.

#### What do you need to do after you make your submission?

You should receive a response from the insurer within nine business days. Once you receive an 'IDR determination' letter from the insurer, forward a copy to Vanesa Gibson ([vgibson@vacc.com.au](mailto:vgibson@vacc.com.au)).

Vanessa will then match it up with the submission you have made today. If the letter is in your favour, VACC will close the file. If your complaint is rejected by the insurer, and you and VACC decide there is still a case for the insurer to answer, VACC will then prepare and submit a 'mediation' application via the CAC website on your behalf. We will only do this after you have approved the application.

VACC will also represent you in a mediation meeting if the matter proceeds to that stage. Mediation is a process outlined in the Code. I have also included a [link to the Code](#) for your reference.

Yours sincerely

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