

## Media Release

### Motorists to benefit from new national position on insurer-repairer relations

**Melbourne, 6 March** – Mr Jeff Williams, Chair of the Australian Motor Body Repairers Association (AMBRA), recently introduced important measures to Insurance Council of Australia (ICA) representatives on the Motor Vehicle Insurance & Repair Industry Code of Conduct (the 'Code') Advisory Committee (CAC). The measures are designed to help insurers and repairers bring to reality the promise ICA and Motor Traders Association of Australia (MTAA) jointly made to the Australian Government and Productivity Commission back in 2006 that they would reach agreement and improve practices to enhance benefits to both consumers and small business in the way of more sustainable operations.

Chaired by Mr Williams, AMBRA repairers, under the auspices of MTAA, and the Motor Trades Association of Queensland (MTAQ), met and delivered their national position as to how the next level of improvements to practice between insurers and repairers can be made. MTAA representatives on CAC can now speak with confidence that the advancements they offer ICA is underpinned by support from over 7500 small businesses across all parts of Australia, city and rural.

Motor vehicle insurers and their agencies benefit because consumer focused measures can be pursued with them via their representation on CAC without having to negotiate separate code of conduct related agreements with disparate groups. Mr Williams said he was extremely pleased, "because, for the very first time, MTAA representatives on CAC can explain clearly to insurers the measures which will really make the Code review work for all."

Key aspects of the MTAA position to be fully considered by CAC includes:

- A national agreement amongst body repair businesses about good practice conduct in dealing with disputes which may arise from time to time with insurers.
- National agreement on the maximum time motor vehicle insurers take to complete vehicle assessments so that the time to repair is not held up by insurers and consumers can have their vehicles returned efficiently and in pre-accident condition.
- Reduction of frivolous dispute claims made by some repairers to ensure the integrity of the 'Code' is further advanced.
- Assurances that when vehicles are received by body repairers, either through accident towing allocation under various government schemes, or when a claimant delivers the driveable vehicle, the insurer will only pay the repairer for the essential legitimate and fair costs incurred by the repairer. This includes costs incurred prior to commencement of repairs and after issuance of a fair repair authority agreement. This measure will protect the claimant, repairer and insurer alike.
- Advance, wherever possible, the consumer's rights to maximise choice of repairer and ensure the insured gets the insurance and repair services stated in the Product Disclosure Statement (i.e. the consumer's motor vehicle insurance policy).
- Making uncompetitive/opaque second estimate practices 'out-of-bounds' in context of the Code. This measure is critical so that the first repairer clearly knows why they were either successful or unsuccessful in winning the work. The practice is based on the notion that when the insurer requests a second 'competitive' estimate/quote, an 'apples with apples' comparison is undertaken. The major criteria, being repair methods, are compared, and realistic time/realistic money calculations are the basis for comparing the two estimates before the insurer issues an authority to repair. This is vital for consumers who can be assured that when it is best for the insurer to cash settle them, they are paid the correct amount.

"This agreement should please Australia's small business ministers and consumer protection agencies," Mr Williams said.

"The national agreement reached by MTAA and MTAQ was an important milestone in accelerating stronger consumer focused business practices between insurers of all shapes and sizes and small business, who do all the heavy lifting when it comes to getting consumers' cars back on the road to pre-accident condition," he said.

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Notes:

1. [The full details of the MTAA agreement are outlined by taking this link.](#)
2. [The current Code enforce by the CAC today but under review this year can also be accessed by consumers by taking this link \(i.e. January 1, 2016 Code\).](#)