

MOTOR VEHICLE INSURANCE AND REPAIR INDUSTRY CODE OF CONDUCT

CODE
ADMINISTRATION
COMMITTEE
PO Box 7115
MELBOURNE VIC 8004

Introduction

Following the independent review which was conducted at the conclusion of 2009 by ICPDA, the Code Administration Committee (CAC) met numerous times during 2010 to debate and agree on any recommendations to changes that could be made to the Motor Vehicles and Insurance Industry Code of Conduct.

The CAC representatives sort feedback back from their core stakeholders within the Insurance and Repair Industries, and as a result, a rigorous debate transpired.

The CAC acknowledges the differing views expressed by the Repairer and Insurance industry representatives during the review and debate forum. It is recognised by the CAC that agreement has not been reached on many recommendations.

It is also the belief of the CAC, that the code will remain a positive platform for future enhancements to the Insurance and Repairer Industry relationships.

The CAC is committed to continue discussing recommendations that remain unresolved at the conclusion of the review and will become the bases for the CAC activities for the foreseeable future.

The CAC would like to acknowledge and thank the efforts of all parties that participated in the review process.

Kind regards



Chad Vigar
Chairman, Code Administration Committee

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CAC Review Detailed Responses

Below is a summary of each recommendation of the review and outcome from the CAC.

Clause 1 – Principles of the Code

Finding:: Insurers and repairers indicated their broad agreement with the historical intent of the Principles contained in the Code.

CAC Response

No change required as the review indicated general agreement with the principles

Clause 3 – Definitions

Finding 1: A small number of definitional inconsistencies were identified that could be appropriately modified without serious change to the intent, format or performance of the Code.

CAC Response

CAC consensus and the Code has been change to “NSR” replacing the term “PSR” throughout.

Finding 2: The definitions of which parties can be and are subject to the Code should be assessed and appropriately amended.

CAC Response

CAC could not reach agreement and therefore the Code remains unchanged. *

Finding 3: The definition of Approved Assessor Course may need to be reconsidered, along with publication of the criteria necessary to meet relevant course requirements plus more prominent promotion by the CAC of such courses and their availability.

CAC Response

CAC Conesus reached with a new definition of ‘appropriately trained’ to be added to Code “Appropriately trained” means a trade qualified panel beater or spray painter.

NOTE -The CAC acknowledges that the new terminology “Appropriately Trained” will not be able to be enforced until such time as a revised Assessor course has been approved by the CAC.

Finding 4: Consideration should be given to the definition of terms such as “safety” and “structural” per generic repair methodology, if not within the Code then as a statement of agreement between repairers and insurers who are party to the Code.

CAC Response

CAC Conesus and agreed that the current plain English terminology is adequate and did not require further clarification or definition.

* Note: the CAC is committed to continuing discussing recommendations that remained unresolved at the conclusion of the review.

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CAC Response

CAC consensus and agreed that the current plain English terminology is adequate and did not require further clarification or definition.

Finding 5: The definition of “upfront” may need to be reassessed given the provisions contained in Clause 9 of the Code.

CAC Response

CAC could not reach agreement with significantly different views expressed by both the Insurance and Repairer industry. No change to the Code.*

Clause 5 – Network Smash Repairer Schemes

Finding: There were no direct conclusions to be drawn specifically to this clause of the Code, except perhaps for the need to further improve communication and information exchanges on NSR agreement terms and conditions between insurers and repairers.

CAC Response

CAC consensus that no change is required as the External Review made no direct conclusions or findings beyond the need for ongoing communication.

Clause 6 – Estimate, Repair and Authorisation Process

Finding 1: Clauses 1.2(c) and 1.4(c) and 7.4 are, at face value, contradictory and a source of definitional confusion and may affect the application of Clause 6.

CAC Response

CAC consensus that no change is required, as the CAC did not believe clauses were contradictory

Finding 2: An agreed tighter definition and or interpretation of the phrases “as far as practicable” and “of all obvious damage” may be required for the interpretation and application of Clause 6.1.

CAC Response

CAC could not reach agreement with significantly different views expressed by both the Insurance and Repairer industry. No change to the Code.*

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Finding 3: Clause 6.3 is confusing and possibly contradictory, and should be reviewed.

CAC Response

CAC consensus that no change is required, as the current wording appears appropriate
Note- the CAC also acknowledged that this is an area of friction however a change of wording would not improve this situation. Therefore consideration will be given to the role of CAC in providing interpretation and education as the preferred approach.

Finding 4: Sub-clause 6.4 appears to have been incorrectly inserted in Clause 6. It may be more appropriate to reinsert Sub-clause 6.4 into the body of Clause 4 – “Insurer and Repairer Relations”.

CAC Response

CAC consensus that no change is required to this clause.

Clause 7 – Repair Warranties

Finding: That Clause 7.4 be amended to not conflict with Clauses 1.2 (c) and 1.4 (c) of the Code.

CAC Response

CAC consensus is that these clauses were not contradictory therefore no changes required to the Code.

Clause 8 – Payment Terms

Finding: Payment frequency to repairers has significantly improved since the establishment of the Code.

CAC Response

External Review indicated significant improvement in the area of repairer payments since the introduction of the Code, therefore no changes required to the Code.

Clause 9 – Disclosure Obligations

Finding: The Review did not find sufficient and immediate evidence that insurers were not complying with the Code. The Review noted that Clause 9.5 of the Code is limited to telephone communication, but does not address other communication methods such as fax, email and websites.

CAC Response

CAC could not reach agreement with significantly different views expressed by both the Insurance and Repairer industry. No change to the Code.*

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Clause 10 – Repair Dispute Resolution & Clause 11 – Dispute Resolution Process

Finding 1: The Review found that clauses 10.1 (a) through to (d) are especially difficult to follow with respect to determining what is disputable under the Code, and may need to be redrafted.

CAC Response

CAC consensus and does not consider there is a need to change this clause.

Finding 2: The Review noted the need for additional and improved education of repairers about the IDR and EDR processes available under the Code.

CAC Response

CAC consensus that no change is required but acknowledges that the Code website requires enhancement in order for the current IDR and EDR process to be effective for all parties. Note- the CAC believes that improved education and Website access will improve the IDR and EDR process.

Finding 3: The Review noted the need to consider the possible introduction of a provision(s) for insurers through the Code to enforce repairer compliance with the Code.

CAC Response

CAC could not reach agreement with significantly different views expressed by both the Insurance and Repairer industry. No change to the Code.*

Clause 12 – Administration

Observation 1: To consider the incorporation of a seventh board position in the form of an independent chairperson (independent of both repairers and insurers) to the CAC.

CAC Response

CAC consensus that no change is required as there is a belief that a seventh person would not be of benefit to the operations of the CAC.

Observation 2: The CAC should publish a list of recognised approved assessor courses.

CAC Response

The CAC agreed with this observation and will publish on its Website once an approved course is available.

* Note: the CAC is committed to continuing discussing recommendations that remained unresolved at the conclusion of the review.

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Observation 3: The CAC should publish an aggregated statement detailing results, findings and outcomes arising from IDRs and EDRs.

CAC Response

CAC consensus that no change is required, as numerous IDR's result in a confidential negotiated outcome, therefore trends and statistics would not reflect an accurate result.

In summary, the CAC has attached the revised 2011 Motor Vehicles and Insurance Industry Code of Conduct.