

MOTOR VEHICLE INSURANCE AND REPAIR INDUSTRY CODE OF CONDUCT

CODE ADMINISTRATION COMMITTEE

ANNUAL REPORT 2018

CODE
ADMINISTRATION
COMMITTEE
PO Box 71 15
MELBOURNE VIC 8004

The Motor Vehicle Insurance and Repair Industry Code of Conduct (Code) has been in operation since 1st September 2006. The Code is voluntary in all states and territories of Australia, other than New South Wales where it is mandatory. Over 2,000 smash repairers are signatories to the Code and over 30 Insurance companies, representing most major participants in motor vehicle insurance, are also signatories to the Code.

The Code Administration Committee (CAC), which is made up of three appointees from the Motor Trades Association of Australia (MTAA LTD.) and three appointees from the Insurance Council of Australia (ICA) is responsible for the administration, monitoring and promotion of the Code. In accordance with Section 13.2 (c) of the Code, the CAC has produced this Annual Report, for the period of 1 September 2017 to 31 August 2018.

Meetings of the CAC

A number of changes were made to representatives of the ICA during the period. Representing the ICA are:

- Mr Peter Hartman – Allianz Insurance;
- Mr Brett Wallace – Suncorp Insurance, and
- Mr Troy Johns – Insurance Australia Group, replacing Mr Stephen Palmer – Insurance Australia Group.

Representing the MTAA are:

- Mr Jeff Williams - Specific Prestige, replacing Mr Richard Dudley - Motor Trades Association of Australia;
- Mr Brian Cowan - Cronulla Smash Repairs, replacing Mr Graham Judge - Motor Traders' Association of NSW, and
- Mr John Guest - Victorian Automobile Chamber of Commerce, replacing Mr Ben Kunstler - Victorian Automobile Chamber of Commerce; and

Mrs Candace Barron participated, part year, as the representative of the Australian Small Business and Family Enterprise Ombudsman, serving as a non-voting observer for the 2018 calendar year. Mrs Barron was later replaced by Mr Adrian Leopardi

The CAC met face to face on two occasions as well as two teleconferences during the reporting period.

Code Administration and Website

In accordance with the provisions of Section 13 of the Code the CAC carried out a variety of administrative duties, including the ongoing maintenance and updating of the Code website. The CAC will continue to promote the Code website, from which copies of the Code, annual reports and other general information can be obtained, and where full details on access to internal and external dispute resolution is available.

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The Code website is located at: www.abrcode.com.au. Signatories to the Code and other interested parties are encouraged to visit the website to obtain more information on the Code and its operation.

CAC engaged IMA to develop a new website with greater functionality than the existing site. The website is currently in the development phase.

Review of the Code

Nil

Dispute Resolution under the Code (Internal Dispute Resolution/Mediation/Expert Determination)

While the CAC is required to report annually on mediation disputes, with the agreement of all parties it has been, and will continue to be, the CAC's intention where possible to report on both IDR, mediation and expert determination disputes under the Code.

In total, 343 IDR (Internal Dispute Resolution) applications were known to CAC.

The following is a breakdown of the source of these IDRs' (i.e., how they become being known to CAC):

Dispute details recorded via CAC IDR email address for the annual reporting year 2018:

IDR – 282

EDR – 17

IDR's submitted to a single Insurer (self-reporting):

Email IDR - 26

A further 34 IDR's were lodged via the CAC website:

CAC was aware of 17 EDR (External Dispute Resolution) applications

While the development of an electronic system to track internal disputes lodged by repairers is ongoing, the Code requires an IDR and mediation to be registered through the CAC (Code) website. The website requirement allows the CAC to track the numbers of IDRs more closely, with the Chairman tasked to undertake this while an automated reporting system is developed.

Registering IDR's and EDR's via the CAC website will give greater transparency to IDRs and the issues they relate to. It is expected that all repairers will, upon notification of a repairer-initiated dispute, register the IDR and EDR via the Code website email facility.

Role of CAC in Dispute Resolution

Signatories to the Code are reminded that the Code Administration Committee plays no part in resolving disputes between insurers and repairers, beyond its responsibility to establish and maintain an easily accessible dispute resolution mechanism to support the Code.

Repairers unable to resolve a dispute with an insurance company at the local level can find details for access to IDR, mediation and determination options on the Code website (www.abrcode.com.au), or can contact their local trade association for further assistance.

Where evidence through the ICA or the MTAA (or other state trade associations), but otherwise the CAC plays no direct role in the dispute resolution process, or its outcome of systemic non-

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compliance with the Code on a company or industry wide basis is identified, either by repairers or insurers, such issues can be elevated to the CAC for consideration

The CAC also serves as a consultative body where questions arise as to the correct interpretation of any clause in the Code.

Summary

The Code continues to assist both repairers and insurers to achieve a balance of fairness in their dealings with each other. However, the CAC is confident that as determination occur the fairness test will be further clarified.

In implementing determination facilities, the CAC believes that while there will always be instances of dispute it is hoped that the new Code once released will be a behavioural change document leading to greater transparency between the two sides of industry.

The CAC acknowledges the input from MTAA Members and Insurance Council of Australia Members for their contributions which has assisted the CAC in their deliberations during the review of the Code.

Peter Hartman

Chairman - Code Administration Committee November 2018

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Repair Signatories to The Code

MTAA State and Territory based members of that association (MTA-ACT; MTA-WA; MTA-SA; VACC, TACC).

Other non-MTAA member repairers whom have individually signed up to the Code.

Insurance Company Signatories to the Code

AAMI

Aioi Insurance Co Ltd

Allianz Australia Insurance Limited

AMP

Apia

Auto & General Insurance Company Limited

Bingle.com.au

CGU

Coles Insurance

Commonwealth Insurance Ltd

GIO

Insure My Ride

Just Car Insurance

Lumley

National Transport Insurance

NRMA Insurance

QBE Insurance (Aust) Ltd

RAA Insurance Ltd

RAC Insurance

RACQ Insurance

RACV

SGIC

SGIO

Shannons

Suncorp – GIO

Swann Insurance

TIO

VERO Insurance Ltd

Youi Insurance

Zurich Australian Insurance Limited