

# MOTOR VEHICLE INSURANCE AND REPAIR INDUSTRY CODE OF CONDUCT

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**CODE ADMINISTRATION COMMITTEE**

**ANNUAL REPORT 2015**

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**A**DMINISTRATION  
**C**OMMITTEE  
**PO Box 101**

The Motor Vehicle Insurance and Repair Industry Code of Conduct (Code) has been in operation since 1<sup>st</sup> 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 33 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 12.2 (c) of the Code, the CAC has produced this Annual Report, for the period of 1 September 2014 to 31 August 2015.

## **Meetings of the CAC**

The Code Administration Committee members consist of representation from the Insurance Council of Australia, Mr Rob Bartlett – Suncorp Insurance, Mr Peter Hartman – Allianz Insurance and Mr Rod McDougall – Insurance Australia Group.

Representing the Motor Trades Association of Australia (MTAA Ltd) are Mr Mr Peter McMahan-MTA-SA, Mr Geoff Gwilym - VACC (replaced Mr Darren Curry- VACC during the reporting), Mr Wayne Phipps- Australian Motor Body Repairers Association (AMBRA).

The CAC would like to acknowledge the valuable contribution made by Mr Darren Curry to the committee and the administration of the Code over the previous three years.

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

## **Code Administration**

In accordance with the provisions of Section 12 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.

The Code website is located at: [www.abrcode.com.au](http://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.

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## External Review of the Code

During the reporting period the CAC continued to deliberate the recommendations detailed in the Executive Counsel Australia's review of the Code.

After commencing its discussions in January 2014 and in consultation with the various stakeholders the CAC completed its negotiations and revision of the MVIRI Code of Conduct at the end of October 2015.

While the discussions were robust both parties agree that the outcomes reached should provide the stakeholders with a Code of Conduct that will suit an industry that has changed considerably since the inception of the Code in 2006.

The CAC has made over 50 changes to the Code, while some may be as simple as grammatical; there have been some sections where wholesale changes have been made.

Some of the key outcomes agreed to are;

- Arbitration included as part of the dispute resolution process, it has been agreed by both parties to review this process twelve months after its commencement.
- All disputes must be lodged through the Code website, which will undergo a rebuild to provide for reports to be available to the CAC to ensure both parties are meeting the requirements of the Code.
- A new clause has been created in section one highlighting the need to behave in a professional and courteous manner.
- A section has been added to section four 'Code Approved Assessors' to ensure only assessors who meet the qualifications detailed can be engaged by insurance signatories.
- Sections four, six and nine have seen large changes agreed to.

## Dispute Resolution under the Code

One of the key principles of the Code is the provision of efficient, accessible and transparent dispute resolution to address disputes arising between individual repairers and individual insurers. There are currently two levels of independent dispute resolution available under the Code at the time of writing.

Where issues cannot be resolved between repairers and insurers at the local level the matter can be raised through the insurance company's internal dispute resolution (IDR) mechanism.

Disputes that cannot be resolved following IDR can then be raised through the Code's External Dispute resolution (EDR) mechanism. The CAC has appointed LEADR/IAMA Mediation to provide repairers and insurers nationally with an easily accessible and cost effective EDR service.

While the CAC is required, under the Code, to report annually on EDR 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 and EDR disputes under the Code.

During the reporting period of 1 September 2014 to 31 August 2015, while the development of an electronic system to track internal dispute's lodged by repairers is ongoing, data collected by the ICA shows a total of 154 IDR's were lodged.

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During the reporting period LEADR reported that there were 21 EDR disputes raised. Of these EDR's reported by LEADR in the reporting period, 4 were successfully resolved, 12 were not resolved, 1 was withdrawn and 4 EDR's were pending. There have been some disputes raised directly with some state Small Business Commissioners this data has not been advised to the CAC.

## **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 and EDR options on the Code website ([www.abrcode.com.au](http://www.abrcode.com.au)), or can contact their local trade association for further assistance.

Where evidence of systemic non-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 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.

## **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 the agreements reached by ICA and MTAA representatives at the time of writing will provide a clearer pathway for both sides of the industry.

In reaching these agreements the CAC also 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 Australian Motor Body Repairers Association Members, Insurance Council of Australia Members for their contributions which has assisted the CAC in their deliberations during the review of the Code.

**Peter McMahon**

**Chairman - Code Administration Committee**

**October 2015**

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## 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

Mutual Community General Insurance

National Transport Insurance

NRMA Insurance

QBE Insurance (Aust) Ltd

RAA Insurance Ltd

RAC Insurance

RACQ Insurance

RACV

SGIC

SGIO

Shannons

Suncorp – GIO

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Swann Insurance

TIO

Vallar Group Pty Limited

VERO Insurance Ltd

Youi Insurance

Zurich Australian Insurance Limited