

COLLISION REPAIR ASSOCIATION
AND MOTOR TRADE ASSOCIATION

COLLISION REPAIRER SURVEY OF INSURERS 2016



www.collisionrepair.co.nz



www.mta.org.nz

COLLISION REPAIR ASSOCIATION AND MOTOR TRADE ASSOCIATION

WELCOME TO THE 2016 COLLISION REPAIRER SURVEY OF INSURERS

This booklet contains the summarised findings of the sixth joint Collision Repairer Survey of Insurers that was recently conducted amongst businesses within the collision repair industry. This survey is the only one of its kind in New Zealand, where collision repairers get their chance to comment on the performance of insurance companies that they have worked with over the previous 12 months. The survey was conducted jointly by the Collision Repair Association (CRA) and the Motor Trade Association (MTA), during the month of December 2016 and January 2017.

For the 2016 survey we asked the same questions as in 2015 and ran the same 1 to 5 scoring scale. We feel that these questions and scoring scale better reflect what is happening in the collision repair industry.

For the 2016 survey SmartPAK have been included in the survey for the first time, and Lumley Insurance has been included with the other IAG group of companies as they have now integrated into the IAG systems.

We have great pleasure in introducing the 2016 survey results to you.



Neil Pritchard

General Manager

Collision Repair Association



Graeme Swan

Sector Specialist - Repair

Motor Trade Association



2016 SURVEY OF COLLISION REPAIRER'S OPINION OF INSURERS OFFERING MOTOR VEHICLE ACCIDENT INSURANCE

Objective

To gain an accurate reflection of the opinions of collision repairers as to the service delivery of insurers.

Who was surveyed?

Collision Repair Association members and the collision repair members of the Motor Trade Association.

When and how were businesses surveyed?

During the month of December 2016 and January 2017, an online survey service was utilised to conduct the survey. Collision repairers were emailed and encouraged to go online to carry out the survey. Those willing to do so completed the survey.

How many businesses completed the survey?

Members of CRA and MTA collision repair members who completed the survey - 231

Which insurers were surveyed and how many responses related to each?

- Insurance companies surveyed - **12**
- Total responses across all insurers – **1,746**
- Responses for each insurance company

Insurer	No. of responses
AA / SIS	191
ALLIANZ	76
FMG	159
IAG / NZI / STATE / AMI / LUMLEY	230
MEDICAL ASSURANCE	147
QBE	135
SmartPAK	89
TOWER	197
TOYOTA INSURANCE	72
VERO / AMP / VCM	215
YOUI	84
ZURICH	151

Questions asked

Respondents were asked to rate each insurer on the following questions. A rating of 1, poor, to 5, excellent, was given. Not Applicable (N/A) was also a possible answer.

Claims process

1. Time taken for claim to be accepted
2. Time taken from submitting assessment until authorised to start repair
3. Ease of integration of your estimating system to this particular insurance company
4. Repairers administration time per claim
5. How do you rate the parts sourcing process?

Financial

1. Consistency of assessors
2. Fairness of unit labour rate
3. Fairness of unit time allowance
4. Fairness of paint allowance
5. Fairness of parts margin taking account of freight and success fee
6. Fairness of subcontracted work margins taking into account of maximum limits
7. Ease of invoicing
8. Promptness of payment

Relationships

1. Relationship with your business
2. Technical competence of assessors

Additional questions

1. Which repair estimating system do you use?
2. For the insurance companies that you deal with, which ones are you a preferred repairer?
3. For the insurance companies that you deal with, what percentage of your revenues are from each?
4. Thinking about motor vehicle cover which two insurance companies (in no particular order) would you recommend to friends, family and customers?

Please note that these additional questions did not form part of the overall score

Results groupings

Results have been grouped into three areas as follows

- **Relationship management index**
The relationship questions have been combined to provide an overview of relationship management. The 1 to 5 scores given by respondents to each insurer for the questions in this index were added and then divided by the number of responses.
- **Claims process index**
The claims process results provide an overview of claims efficiency. The 1 to 5 scores given by respondents to each insurer for the questions in this index were added and then divided by the number of responses.
- **Financial index**
The financial index results provide an overview of the rate, allowances and margins that each insurance company provides. The 1 to 5 scores given by respondents to each insurer for the questions in this index were added and then divided by the number of responses.
- **Overall results index**
The overall result combines all questions but weights those under 'Financial' at 50% importance from a collision repairer perspective, 'Relationships' at 30% importance and 'Claims process' at 20% importance.

Result tables

The tables show the results for all insurers for which responses were received. It is noted that the number of responses received for some insurers is low so the results shown may not be indicative of their true position.

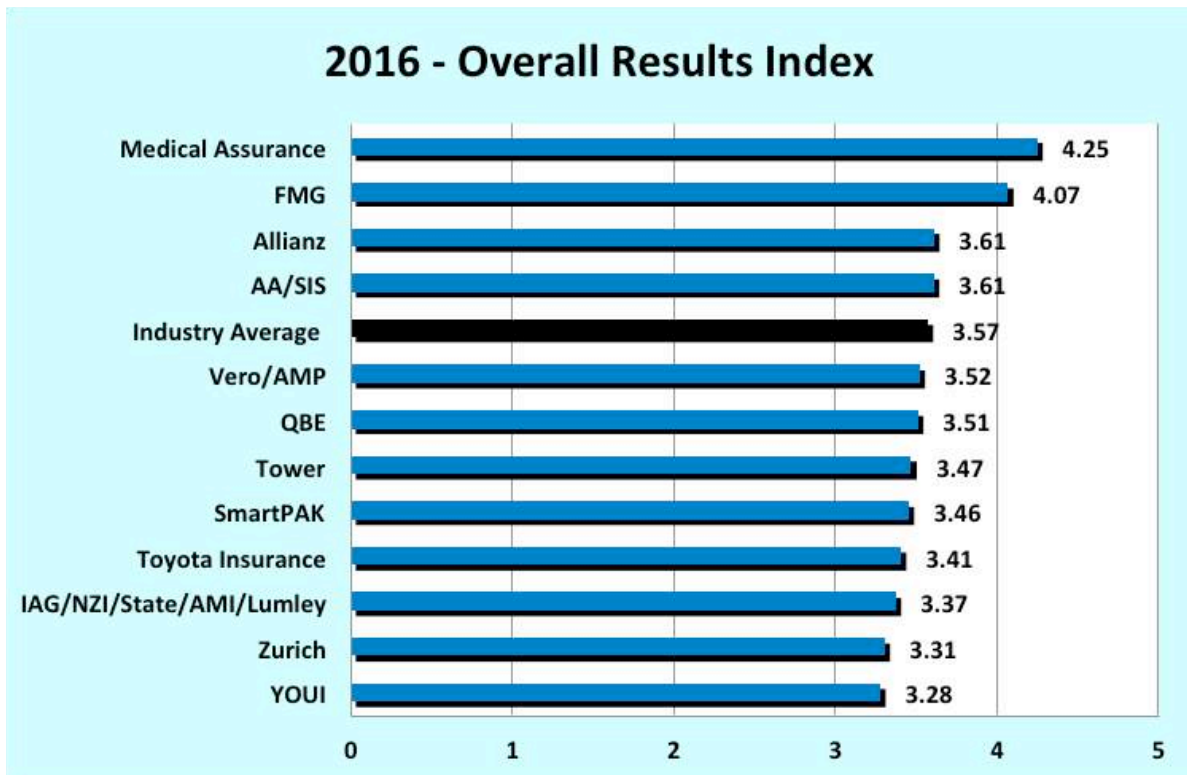
Results closer to 1 indicate a less favoured position and those closer to 5 a more favoured position.

The 'Industry Average' line in each table is an average of all results received relating to that table.

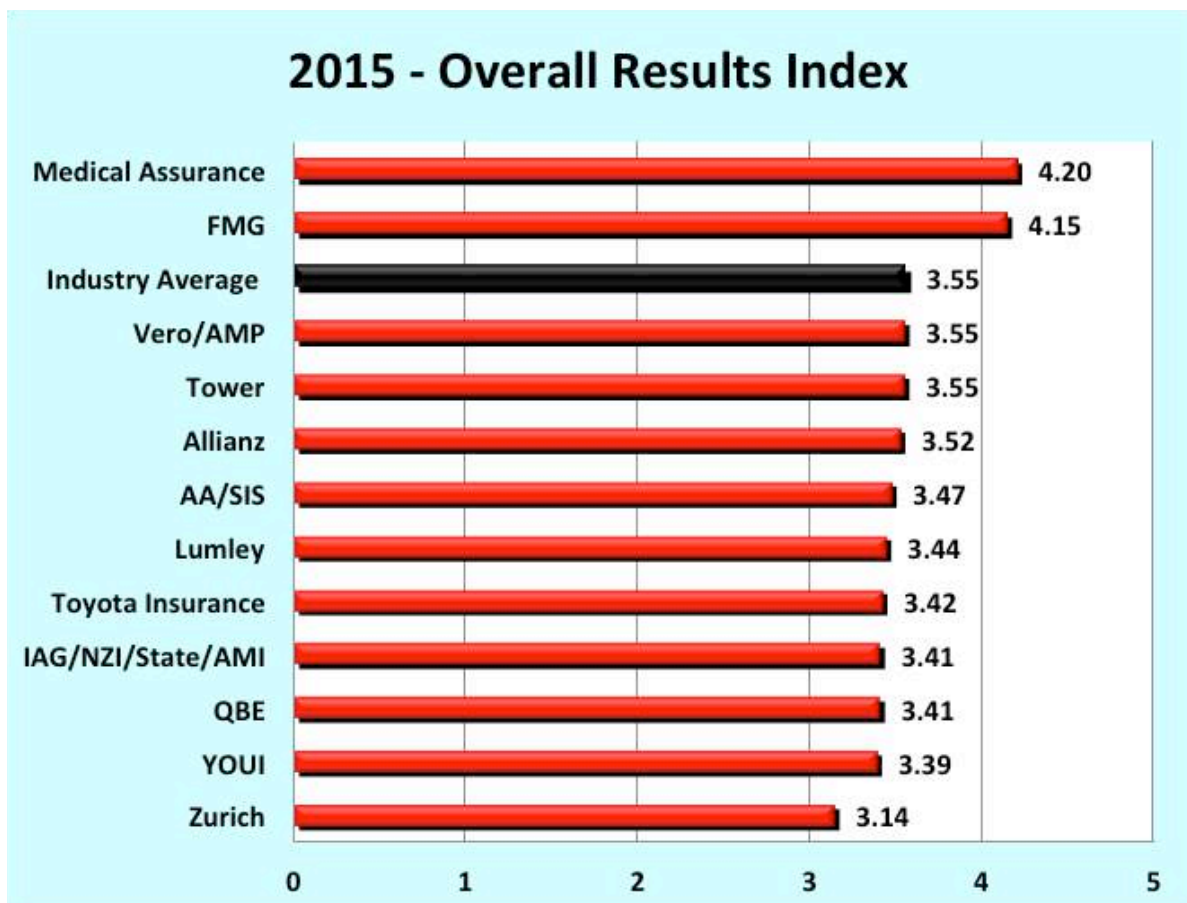
Disclaimer

The results in this survey do not reflect the opinions of either the CRA or the MTA, but are the aggregate responses of the members who took part in the survey.

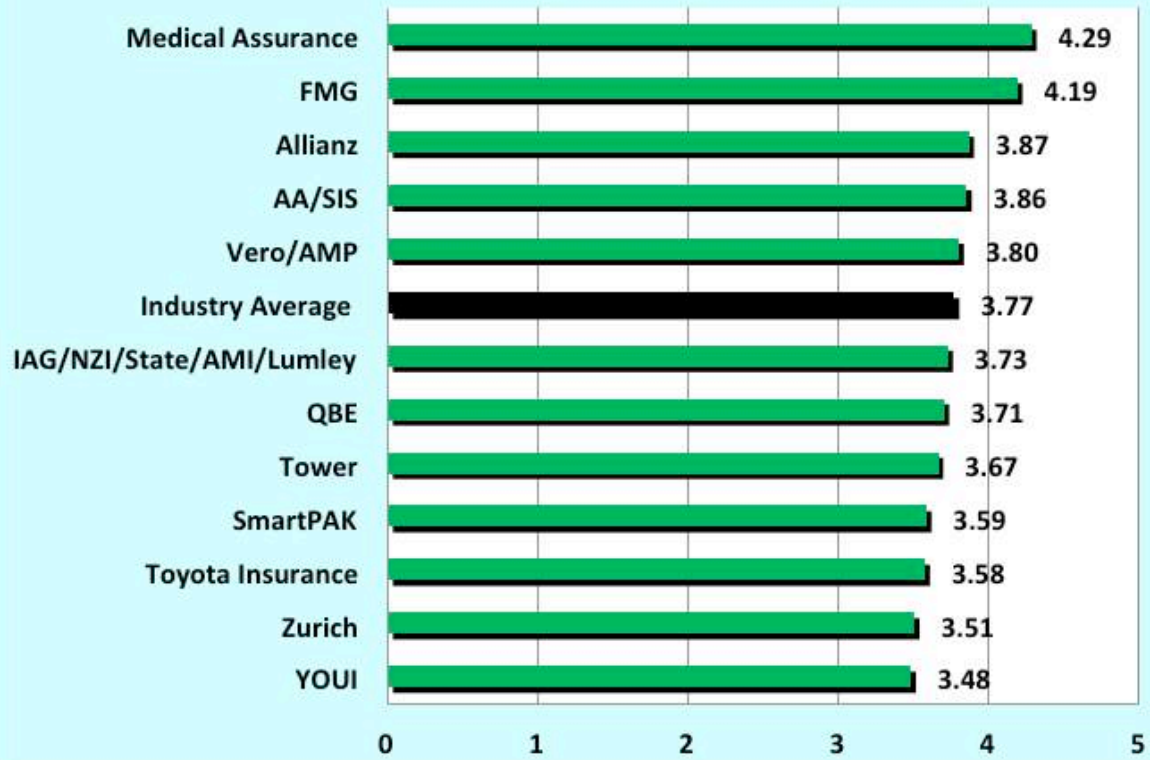
OVERALL RESULTS GRAPH



Medical Assurance once again top the overall survey results, with FMG in second place and Allianz and AA Insurance tied for third. The industry average has risen slightly to 3.57.



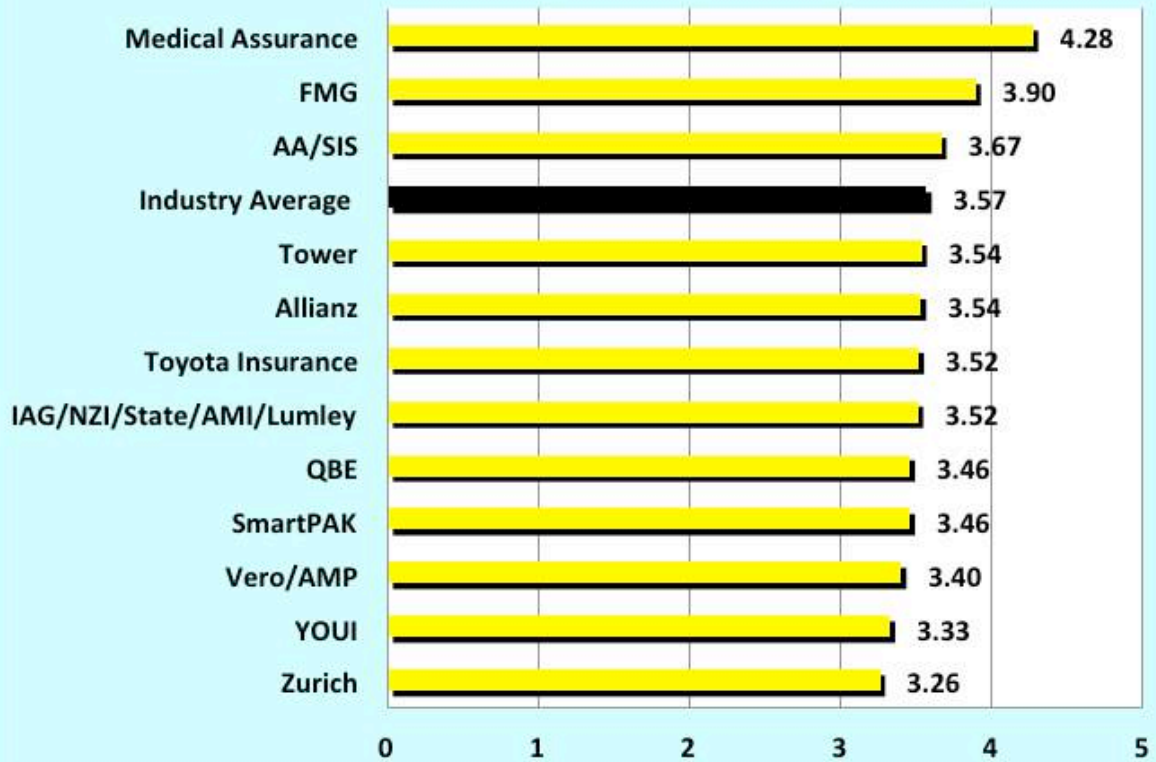
2016 - Relationship Management Index



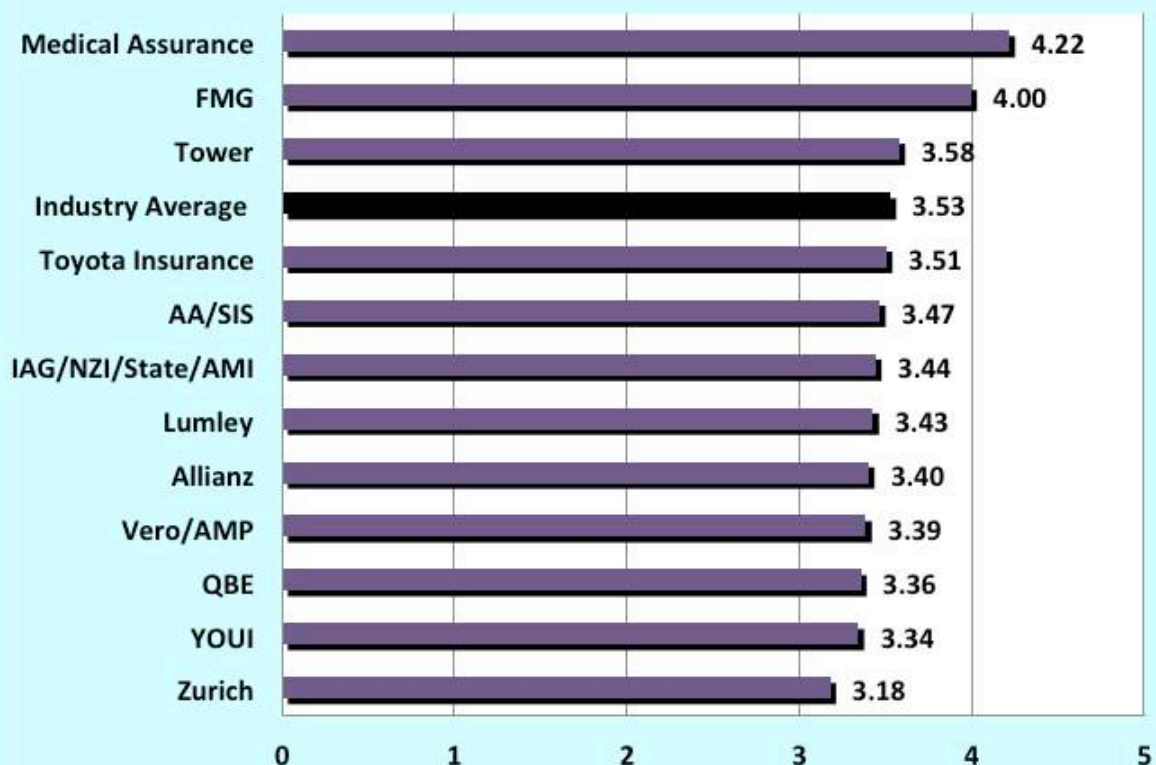
2015 - Relationship Management Index



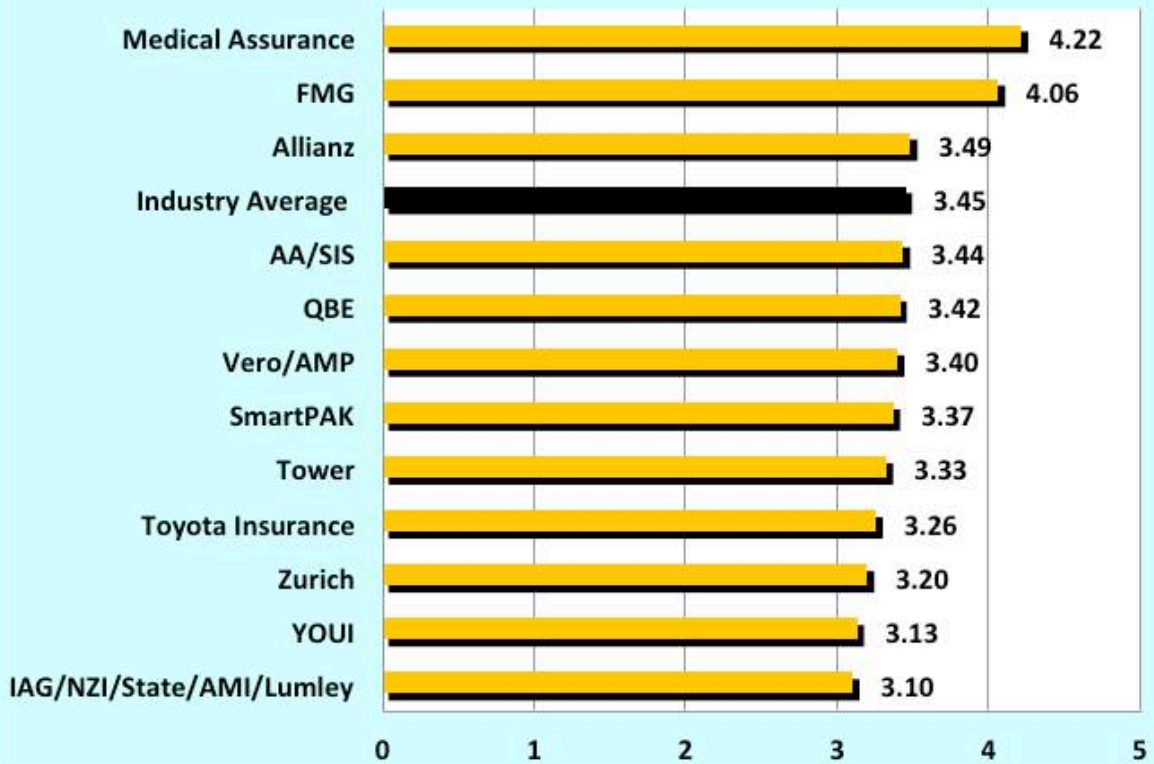
2016 - Claims Process Index



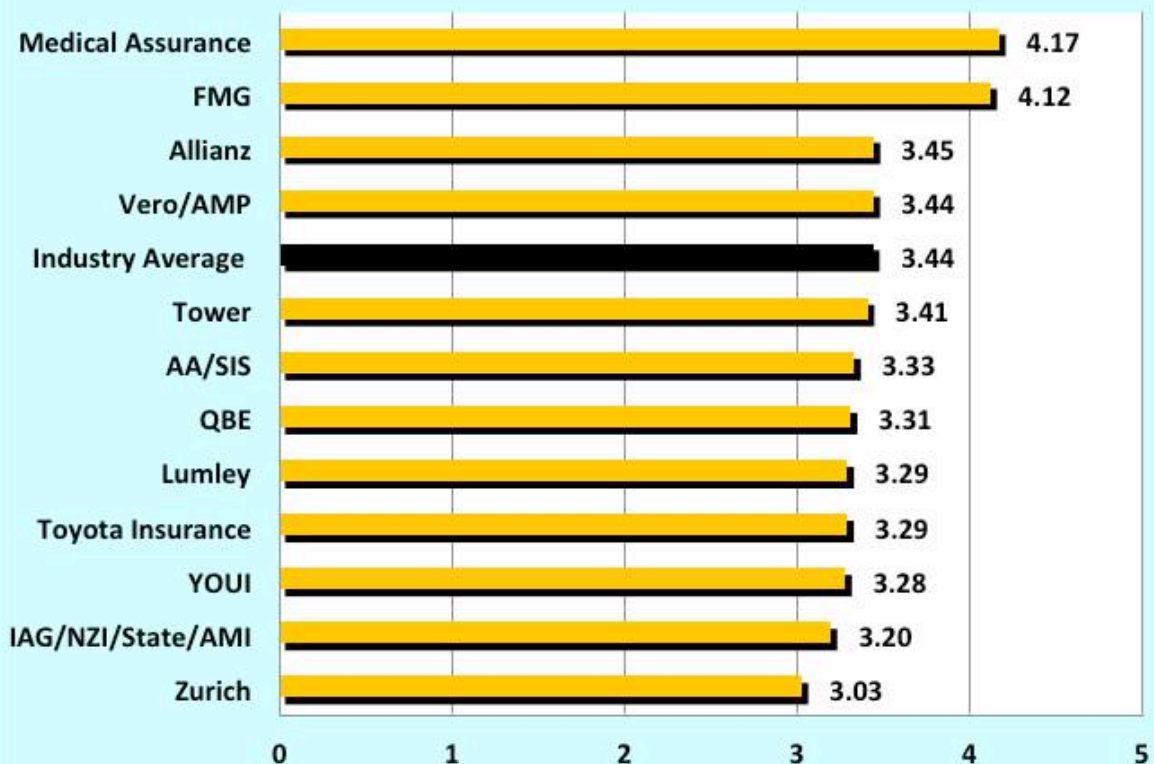
2015 - Claims Process Index



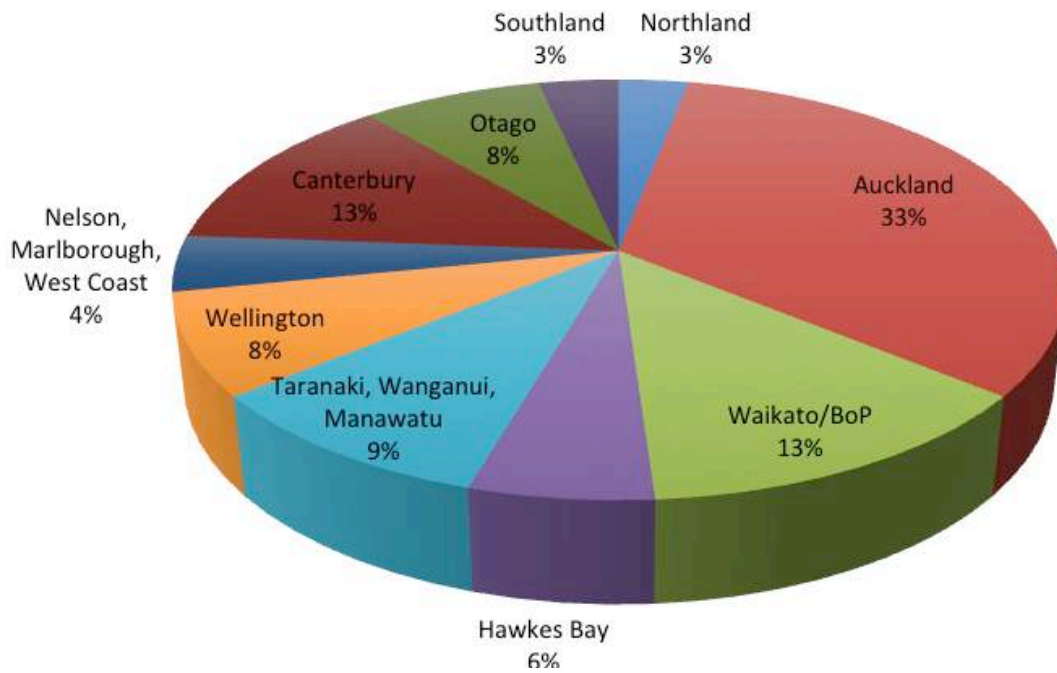
2016 - Financial Index



2015 - Financial Index



2016 Regional Split



Region	Number of replies
Northland	7
Auckland	76
Waikato/BoP	30
Hawkes Bay	13
Taranaki, Wanganui, Manawatu	22
Wellington	18
Nelson, Marlborough, West Coast	10
Canterbury	29
Otago	18
Southland	8

Additional questions

New to the 2015 survey were 4 additional questions whose answers did not form part of the overall score. The same questions were asked again in the 2016 survey.

The basis of these questions was to give the CRA and MTA a greater understanding of the current situation of the New Zealand collision repair industry.

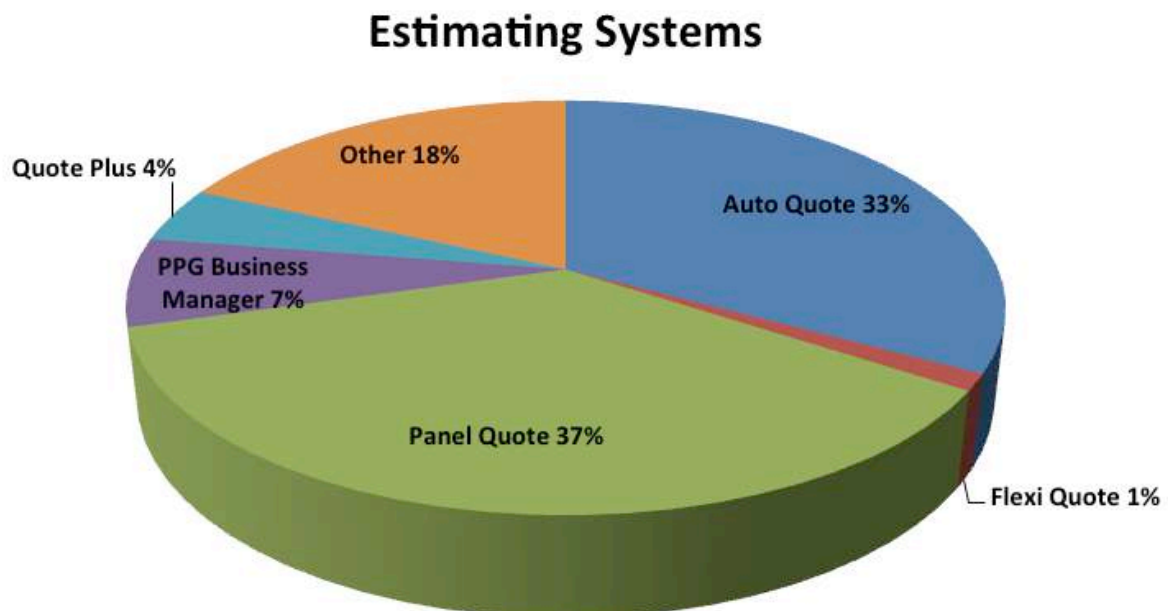
For 2016 the additional questions were as follows;

1. Which repair estimating system do you use?
2. For the insurance companies that you deal with, what percentage of your revenues are from each?
3. Thinking about motor vehicle cover which two insurance companies (in no particular order) would you recommend to friends, family and customers?
4. For the insurance companies that you deal with which ones are you a preferred repairer?

Estimating systems

Respondents were asked “Which repair estimating system do you use”?

Estimating System	Number of responses
Auto Quote	76
Flexi Quote	3
Panel Quote	84
PPG Business Manager	16
Quote Plus	10
Other	42



Reliance on insurers

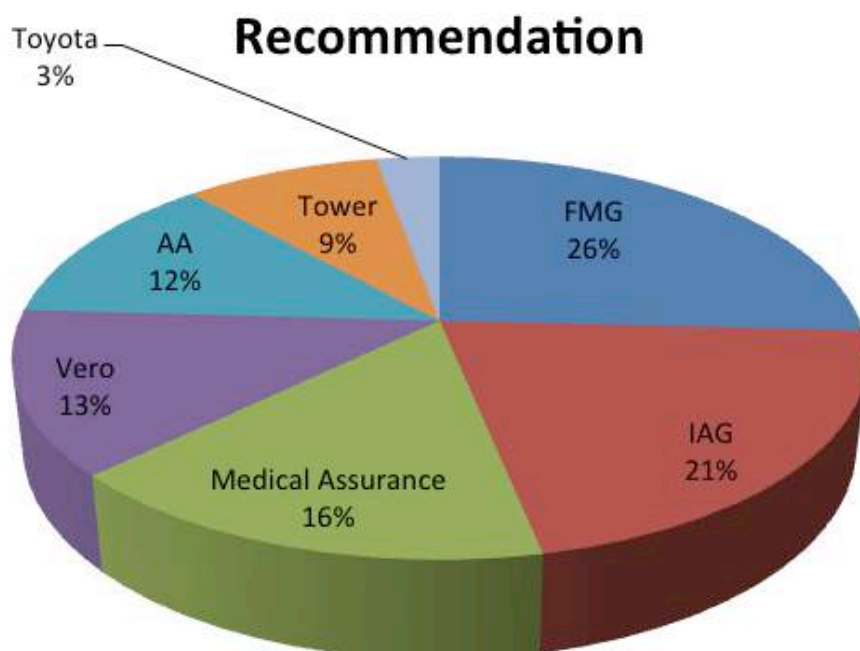
Respondents were asked to estimate, for the insurance companies that they deal with, what percentage of their revenues are earned from each insurer?

Insurance company	Reliance Percentage
IAG	65% (for 23% it was over 75% reliance)
FMG	10% (for 2% it was over 75% reliance)
AA Insurance	8% (for 2% it was over 75% reliance)
Vero	6%
Tower	4%

Who would you recommend?

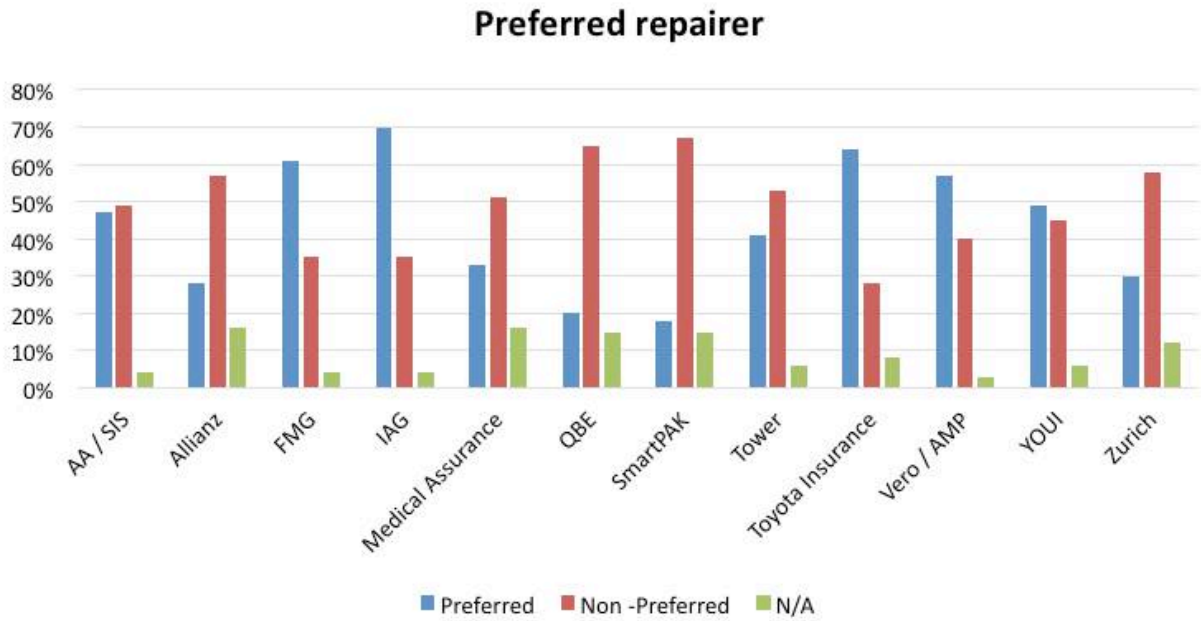
Respondents were asked “Thinking about motor vehicle cover which two insurance companies (in no particular order) would you recommend to friends, family and customers”

Recommendation	Number of responses	2015 Responses
FMG	108	92
IAG	88	92
Medical Assurance	67	67
Vero	55	59
AA Insurance	52	56
Tower	37	37
Toyota Insurance	12	7



Preferred repairer

Respondents were asked for the insurance companies that you deal with which ones are you a preferred repairer?



**QUESTIONS
OR COMMENTS:**



Neil Pritchard
neil@collisionrepair.co.nz
021 663 459



Graeme Swan
graeme.swan@mta.org.nz
0800 00 11 44