

2020 SURVEY RESULTS

Collision Repairer Survey of Insurers

Collision Repair Association and Motor Trade Association



**OUR THANKS TO THOSE
WHO TOOK PART IN THE
2020 COLLISION REPAIRER
SURVEY OF INSURERS.**

Welcome to the 2020 Collision Repairer Survey of Insurers

This booklet contains the summarised findings of the ninth 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 rate 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 months of November and December 2020.

For the 2020 survey we asked the same questions as in 2019 where respondents were asked one question at a time and

rated all insurers they had selected as “dealing regularly with”. In previous years they were asked all 15 questions for each insurer. We believe this change allows for a more direct comparison. It is our position that these questions and scoring scale fairly reflect what is happening in the collision repair industry today.

Given recent new entrants to the industry, we also asked a couple of questions about Insurance company ownership of repair shops.

CRA and MTA have great pleasure in presenting the results of the 2020 Collision Repairer Survey of Insurers to you.

Regards



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General Manager

Collision Repair Association



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Sector Manager – Repairer

Motor Trade Association



2020 survey of collision repairers' opinion of insurers offering motor vehicle accident insurance

The objective of this survey is 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 months of November and December 2020 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?

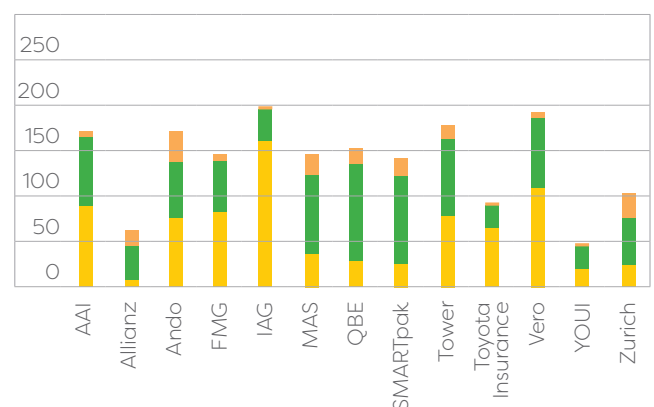
Members of CRA and MTA collision repair members who completed the survey - **207**

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

- **13** Insurance companies surveyed
- **1,796** total responses across all insurers
- Responses for each insurance company:

| Insurer | No. of responses |
|------------------|------------------|
| AAI | 172 |
| Allianz | 57 |
| Ando | 172 |
| FMG | 145 |
| IAG | 201 |
| MAS | 142 |
| QBE | 155 |
| SMARTpak | 140 |
| Tower | 178 |
| Toyota Insurance | 90 |
| Vero | 191 |
| YOUI | 50 |
| Zurich | 103 |

Preferred Repairer



Key

■ Preferred ■ Non-Preferred ■ N/A

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 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?
5. Are you within 15km of an insurance company owned repair facility – (if yes) Have you noticed a drop in referrals from that insurer? – if so what percentage?

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.

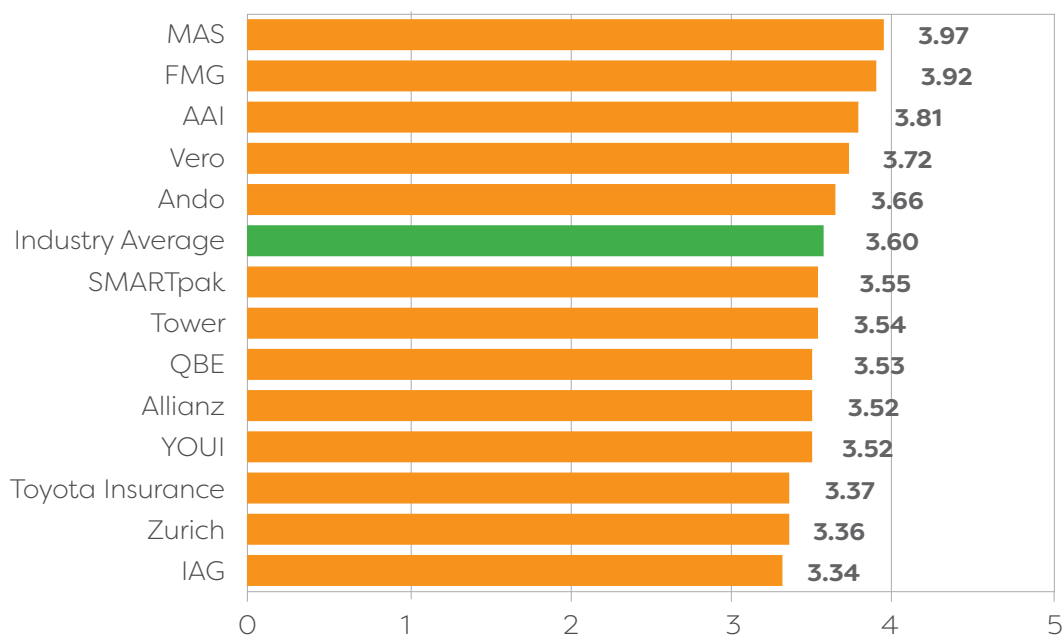
Results closer to 1 indicate a less favoured position and those closer to 5 a more favoured position.

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

Disclaimer

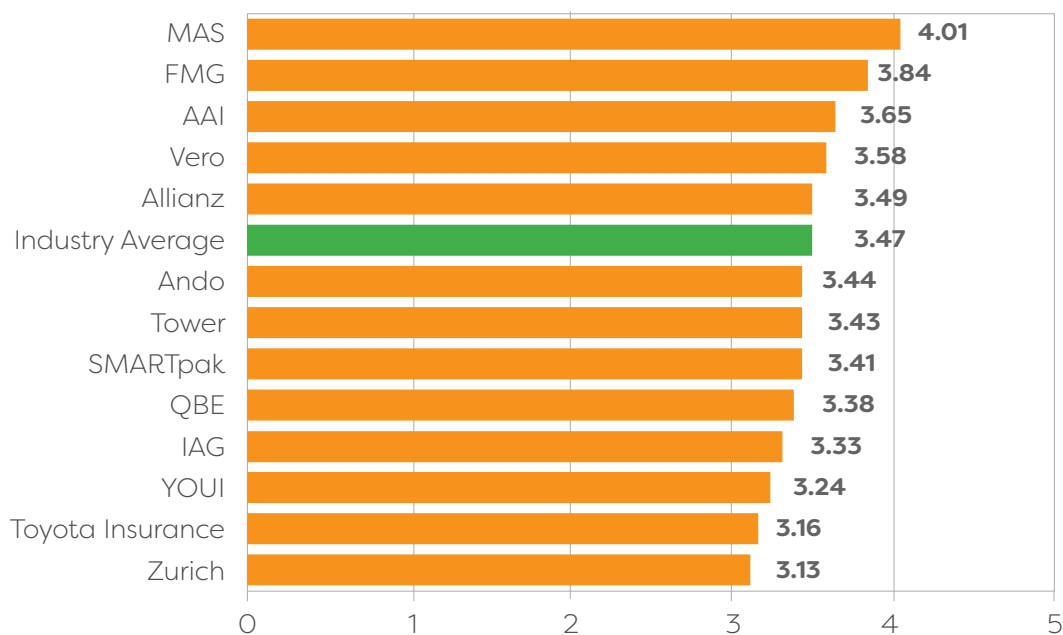
The results in this survey do not reflect the opinions of either the CRA or the MTA, but are the aggregate responses of the members who took part in the survey.

2020 OVERALL RESULTS INDEX

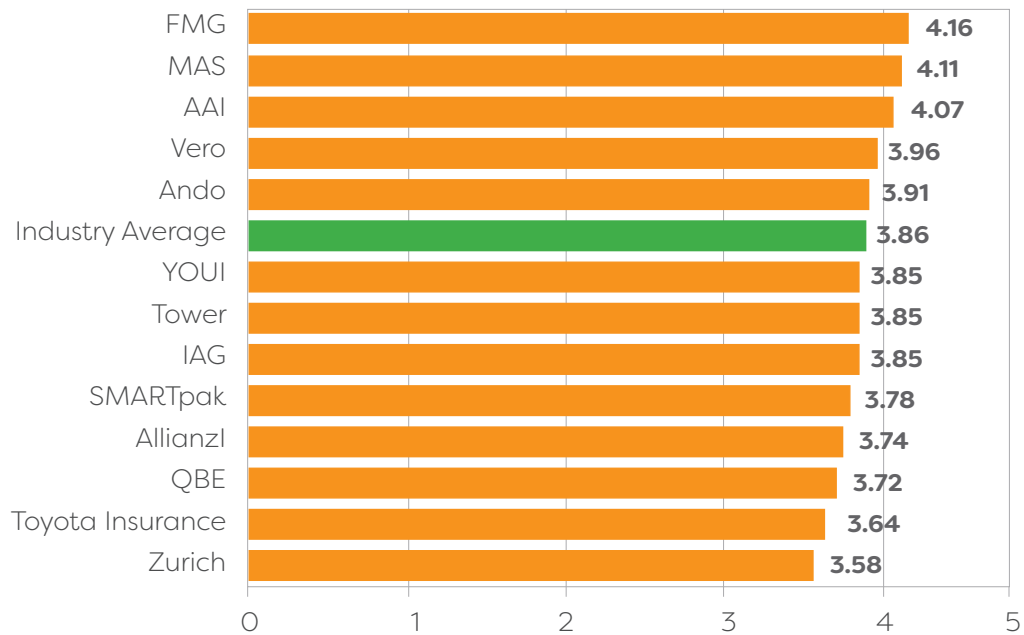


MAS once again top the overall survey results, with FMG in second place and AA Insurance in third. The industry average has increased by 0.13 points, to 3.60. IAG is the big mover dropping back to the bottom of the chart. It is worth pointing out that according to a Consumer NZ survey of policyholders, the top 3 insurers in terms of overall satisfaction are MAS, FMG and AAI – exactly the same as the top 3 reported in this survey of repairers.

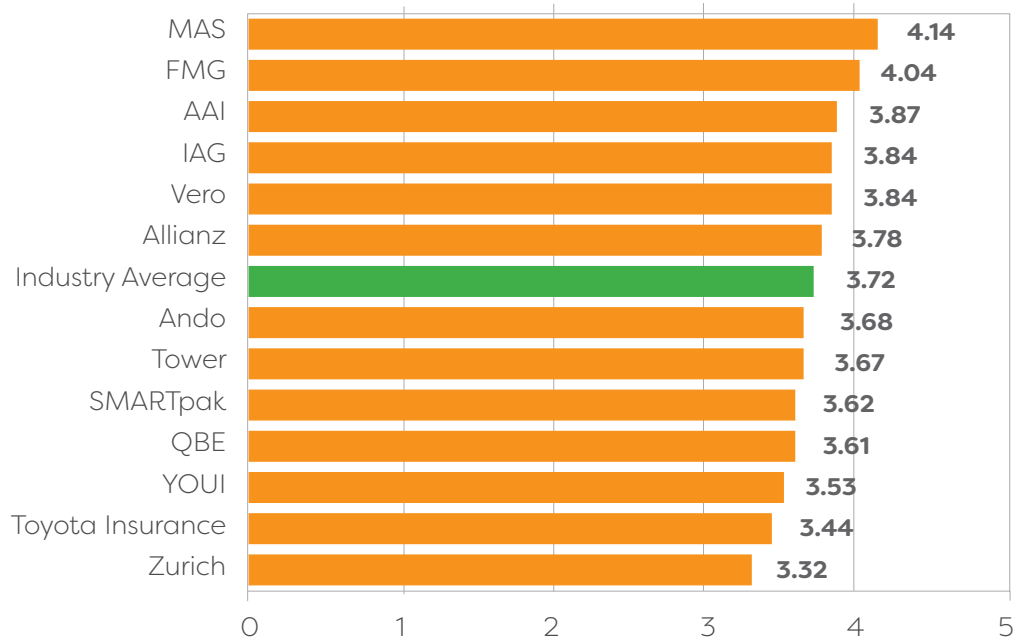
2019 OVERALL RESULTS INDEX



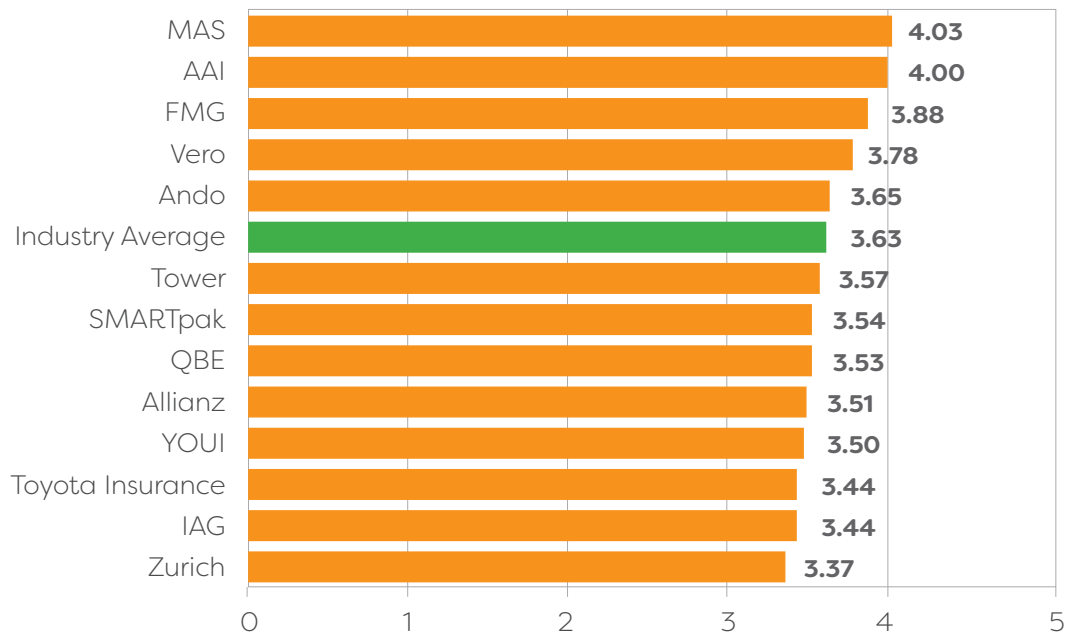
2020 RELATIONSHIP MANAGEMENT INDEX



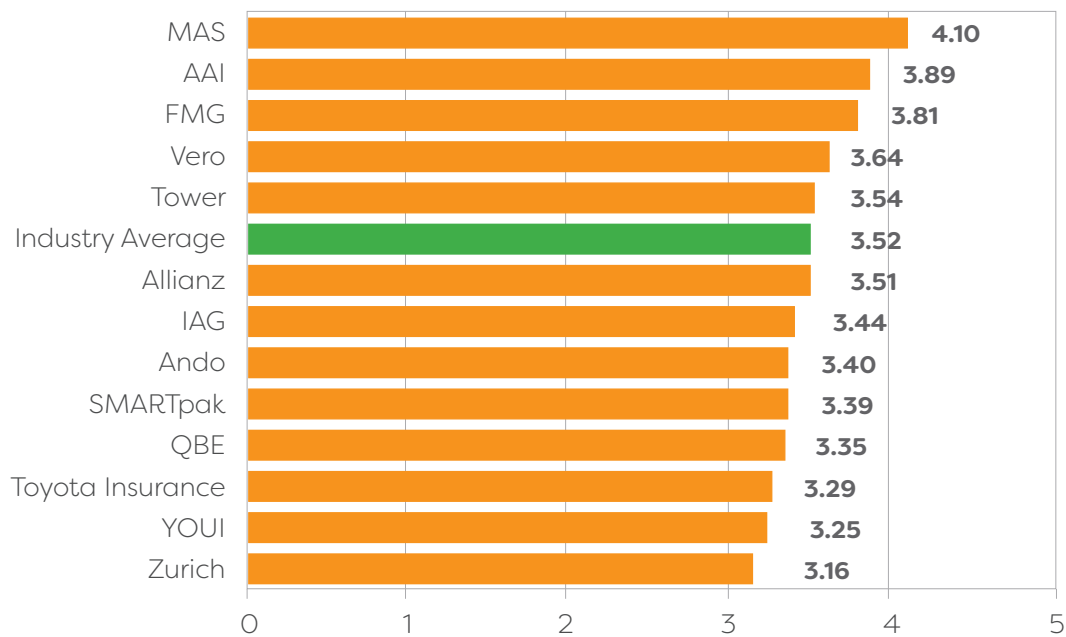
2019 RELATIONSHIP MANAGEMENT INDEX



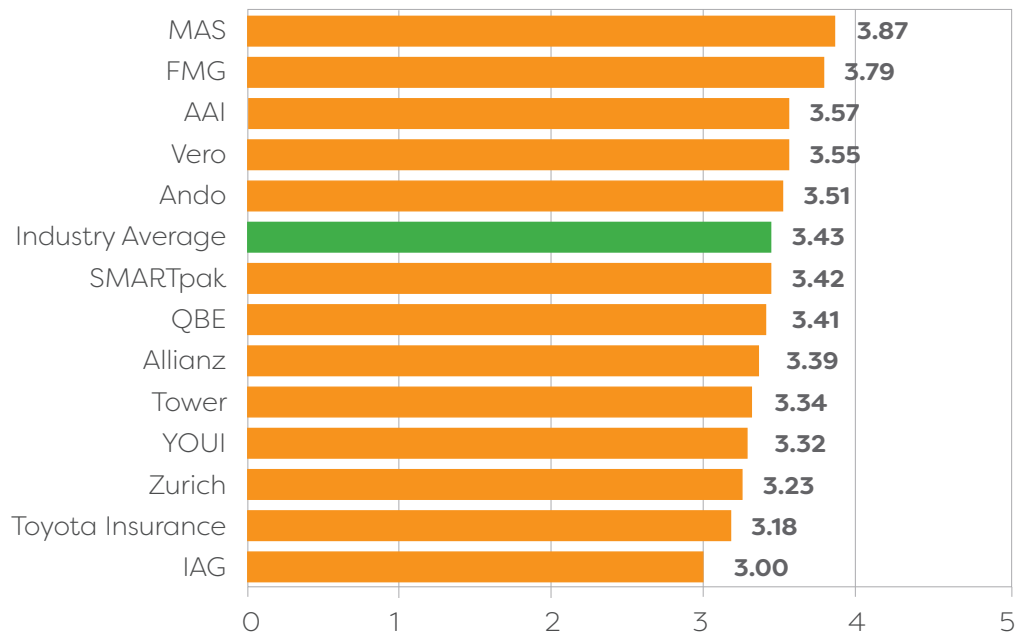
2020 CLAIMS PROCESS INDEX



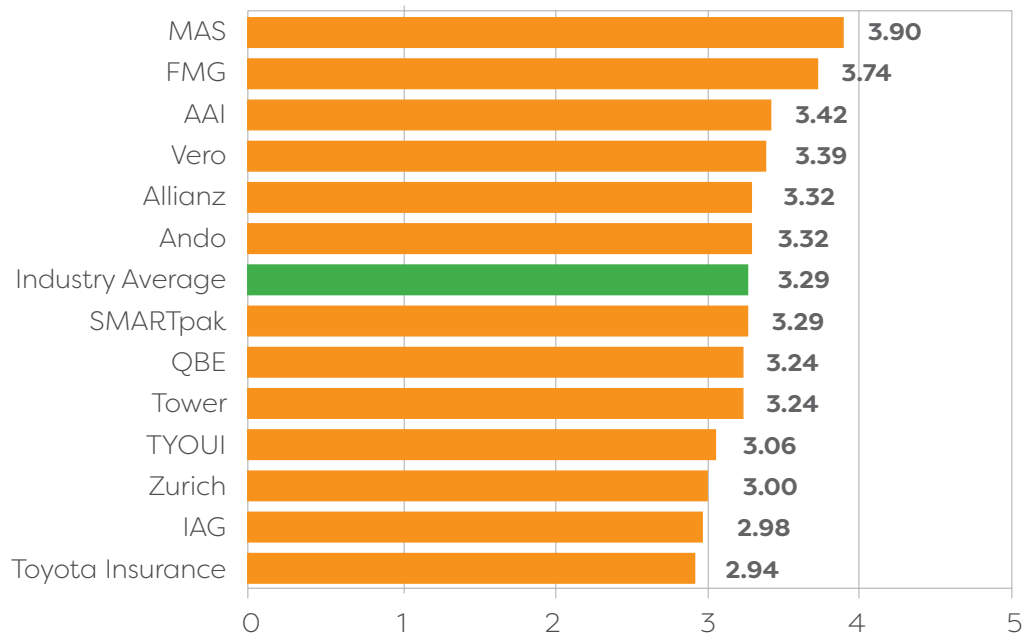
2019 CLAIMS PROCESS INDEX



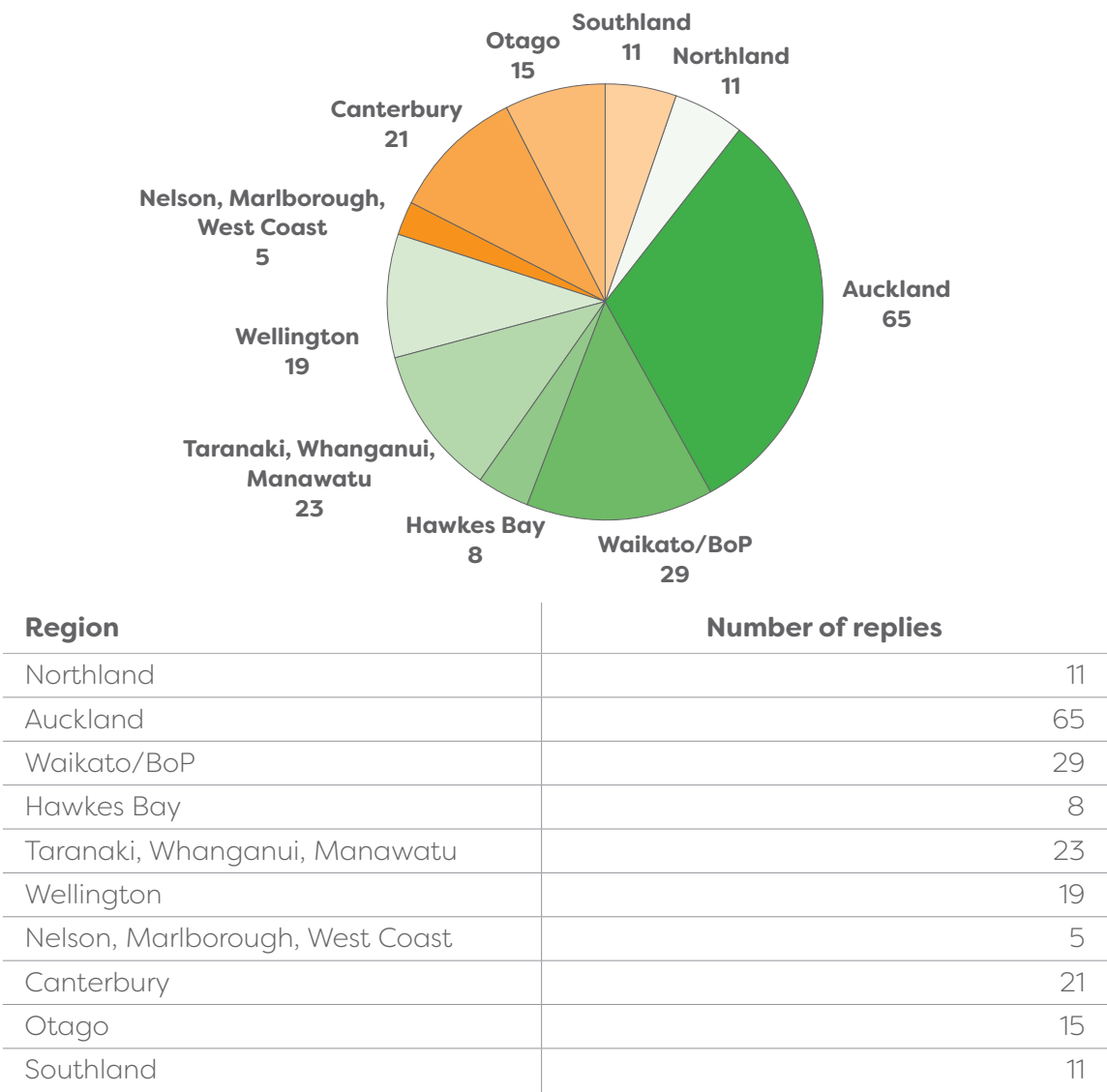
2020 FINANCIAL INDEX



2019 FINANCIAL INDEX



REGIONAL SPLIT



ADDITIONAL QUESTIONS

These questions did not count in any of the graphs supplied.

1. 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?”

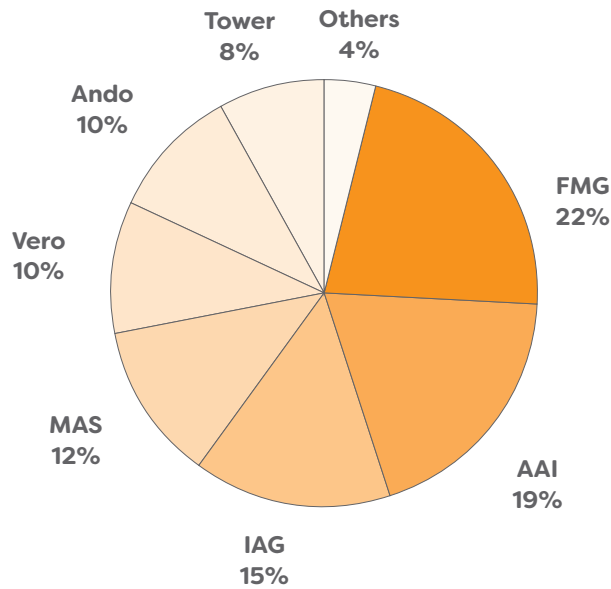
| Insurance company | Reliance Percentage |
|-------------------|---|
| IAG | 83% said more than 25%, 56% said more than 50% and for 15% it was over 75% reliance |
| AA Insurance | 32% said more than 25% and, 7% said more than 50% |
| FMG | 21% said more than 25% and 4% said more than 50% |
| Vero | 23% said more than 25% and 2% said more than 50% |
| Tower | 16% said more than 50% and 3% said more than 50% |

2. 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 | 2019 Responses |
|----------------|---------------------|----------------|
| FMG | 86 | 85 |
| AAI | 71 | 82 |
| IAG | 58 | 68 |
| MAS | 48 | 73 |
| Vero | 38 | 34 |
| Ando | 38 | 28 |
| Tower | 30 | 29 |

IAG comes up to third place and Ando continues to make ground.



Finally, the questions around insurance owned repair facilities highlights some very real concerns in the industry. Not only are repairers in the vicinity of these facilities adversely effected, some to the extent of unsustainability, but many more are worried about future sites. This is causing great uncertainty resulting in a lack of investment in equipment and training. The industry does not need additional capacity and repairers fear losing staff as well as business. There is a strong feeling that this is an unfair situation which should not be permitted by law, as is the case in countries such as the United States.

