

2023 Survey Results

Collision Repairer Survey of Insurers

Collision Repair Association and Motor Trade Association



mta.org.nz

OUR THANKS TO THOSE WHO TOOK PART IN THE 2023 COLLISION REPAIRER SURVEY OF INSURERS.

Summary

All businesses get to be rated, by customers, suppliers, or the public, offering up areas where improvements can be made. This survey records how insurance companies perform in claims process, financial impacts, and relationships with collision repairers, as rated by the repairers themselves.

Continuous improvement in collision repair businesses requires a commitment to excellence in all areas. These survey results highlight where individual insurance companies are improving, falling behind and where a higher performance standard is required.

The results in 2023 have seen a drop across all sectors measured with decreases in the Financial Index that have seen a 14% drop since 2020 from 3.86 to 3.32 in 2023. The other area of concern is in the reliance on insurers category as insurance owned repair facilities have insurers redirect work away from the marketplace.

Welcome to the 2023 Collision Repairer Survey of Insurers

After a three-year hiatus due to circumstances beyond our control, it is great to be able to share with you the results of the eleventh joint Collision Repairer Survey.

This booklet contains the summarised findings of the Insurers 2023 survey 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 October and November 2023.

For the 2023 survey we asked the same questions as in 2020 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 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 the expansion of a major entrant 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 2023 Collision Repairer Survey of Insurers to you.

Regards



Stewart Gibb

General Manager
Collision Repair Association



Larry Fallowfield

Sector Manager – Collision Repair
Motor Trade Association



2023 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 2023 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 - **165**

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

- 13** Insurance companies surveyed
- 960** total responses across all insurers

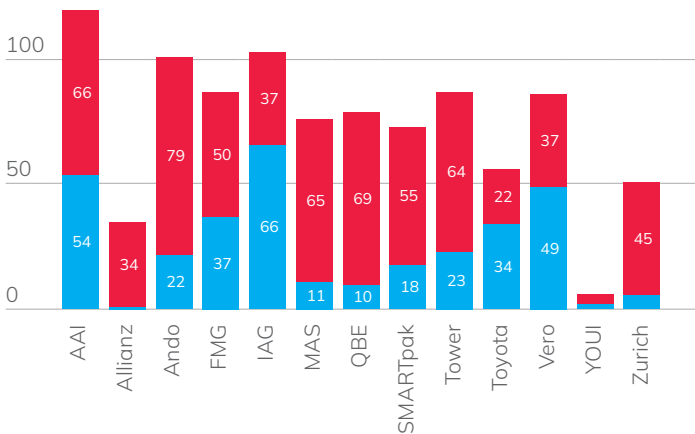
Responses for each insurance company

Insurer	No. of responses
AAI	120
Allianz	35
Ando	101
FMG	87
IAG	103
MAS	76
QBE	79
SMARTpak	73
Tower	87
Toyota Insurance	56
Vero	86
YOUI	6
Zurich	51

Preferred Repairer

Key

Yes No



Questions asked

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

Claims process

1. Are you a preferred repairer?
2. Time taken from submitting assessment until authorised to start repair
3. Ease of integration of your estimating system to this insurance company
4. Repairer's 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.

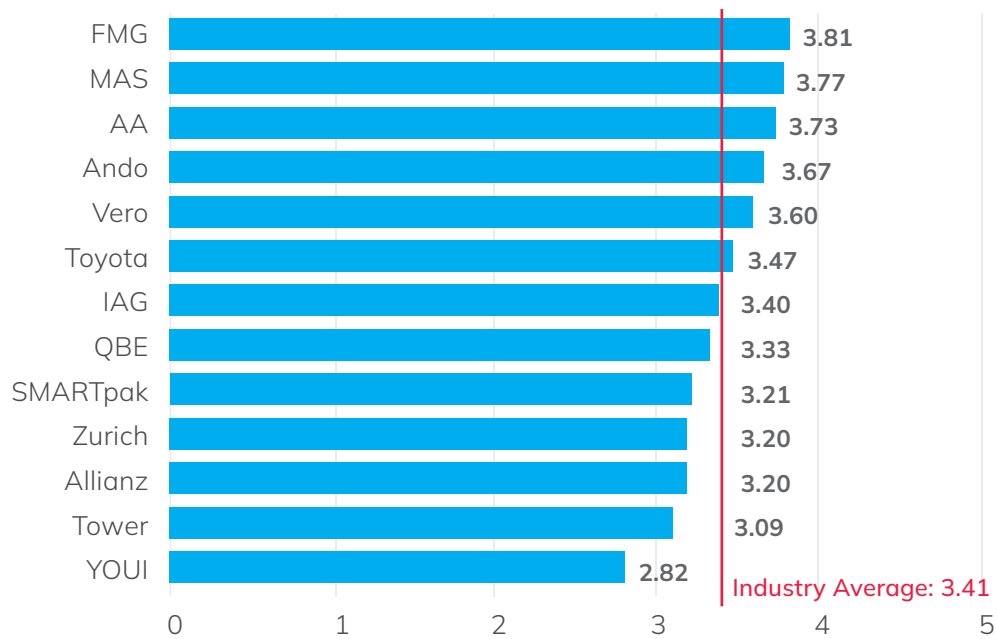
Results closer to 1 indicate a less favoured position and those closer to 5 a more favoured position.

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

Disclaimer

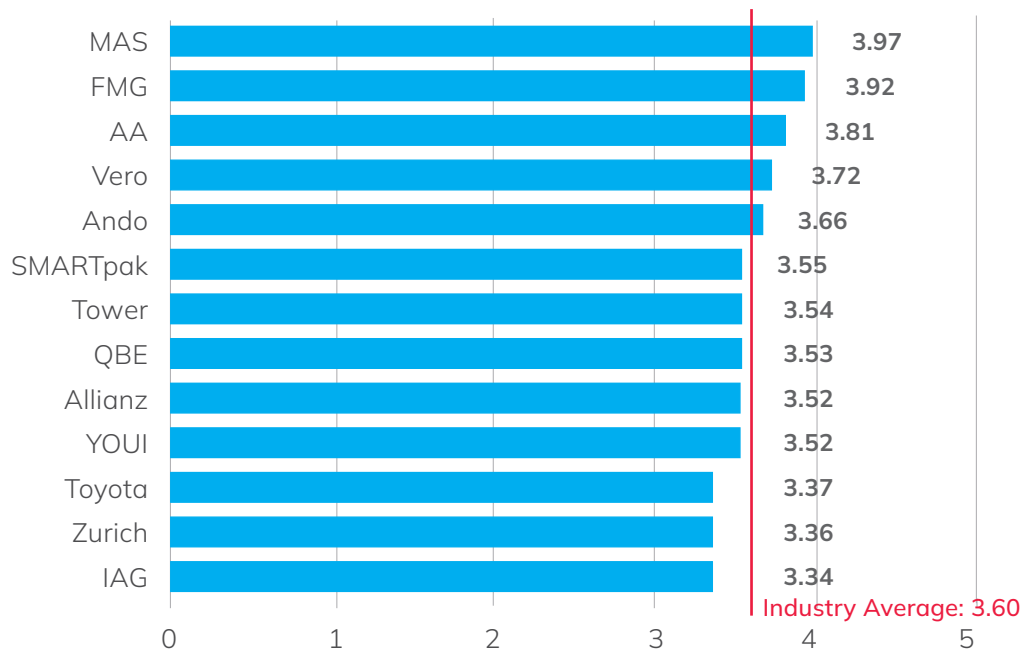
The results in this survey do not reflect the opinions of either the CRA or the MTA but are the aggregate responses of the members who took part in the survey.

2023 OVERALL RESULTS INDEX

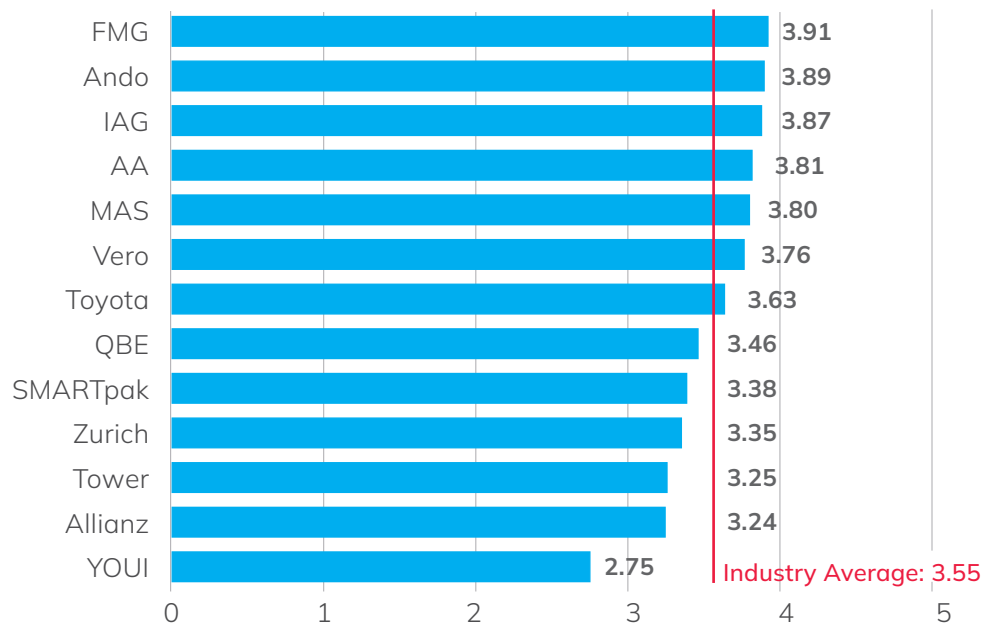


FMG has topped the overall survey results, MAS is in second place and AA in third. The industry average has decreased by 0.19 points, to 3.41 from 3.60 in the 2020 results.

2020 OVERALL RESULTS INDEX

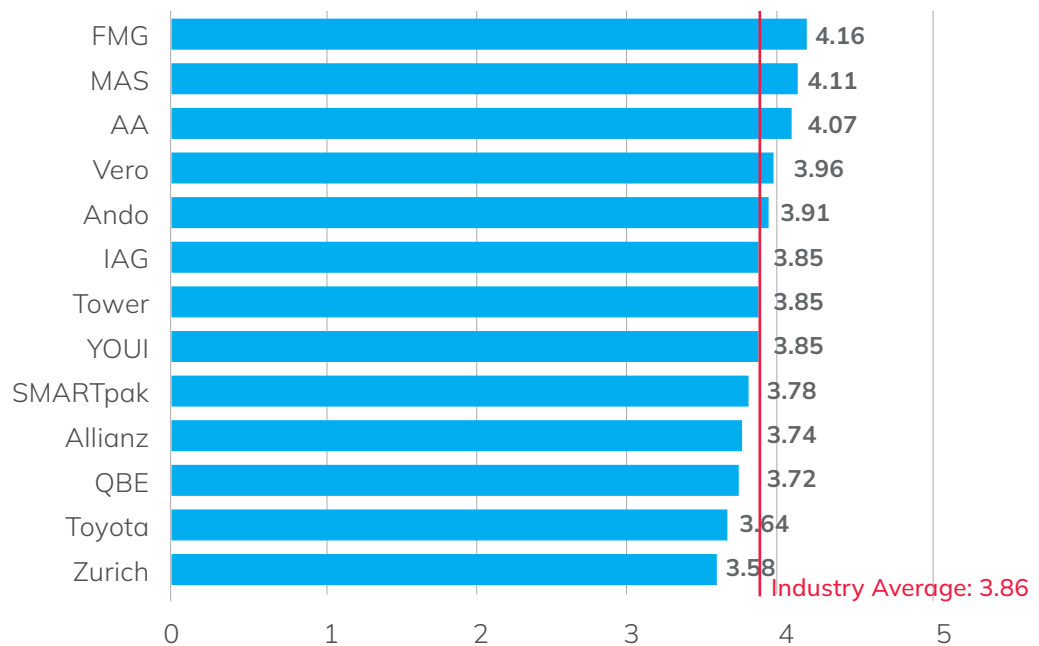


2023 RELATIONSHIP MANAGEMENT INDEX

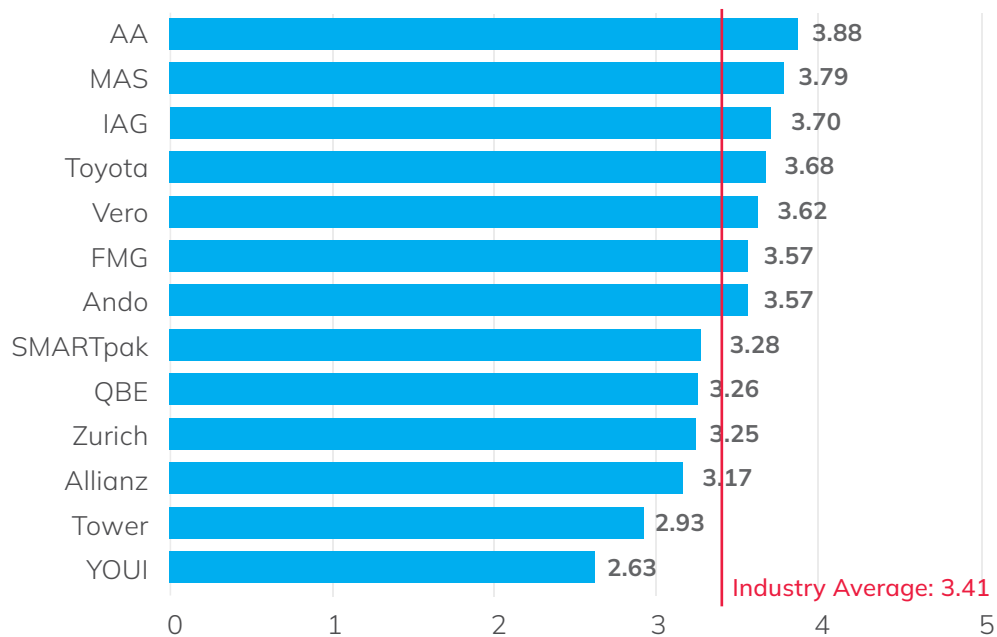


Insurance company relationship management has dropped away since 2020, down by 0.31 points from 3.86 in 2020 to 3.55 in 2023.

2020 RELATIONSHIP MANAGEMENT INDEX

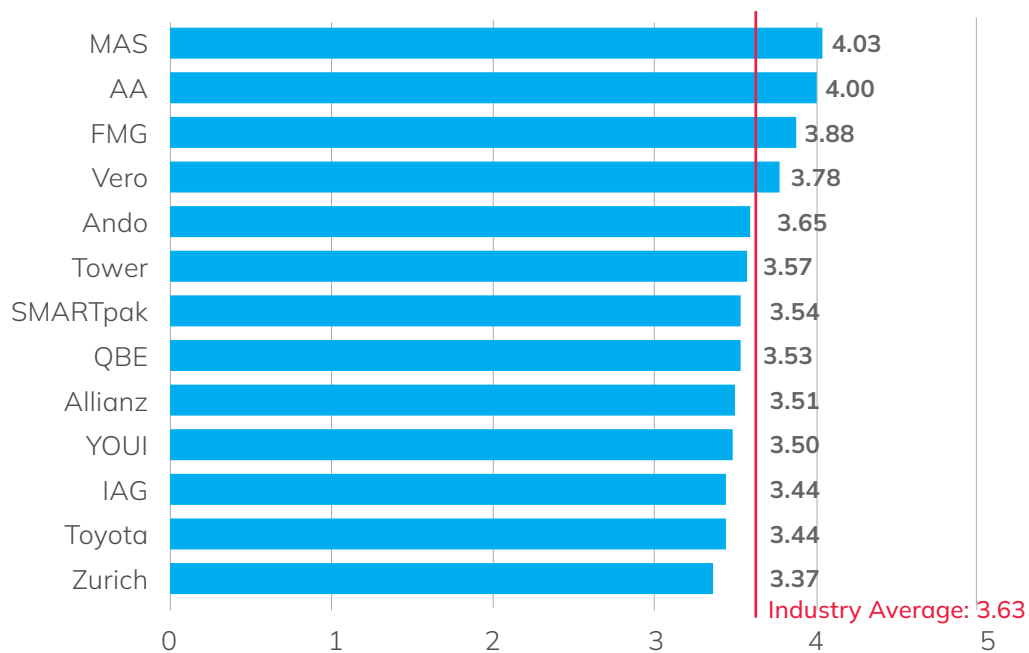


2023 CLAIMS PROCESS INDEX

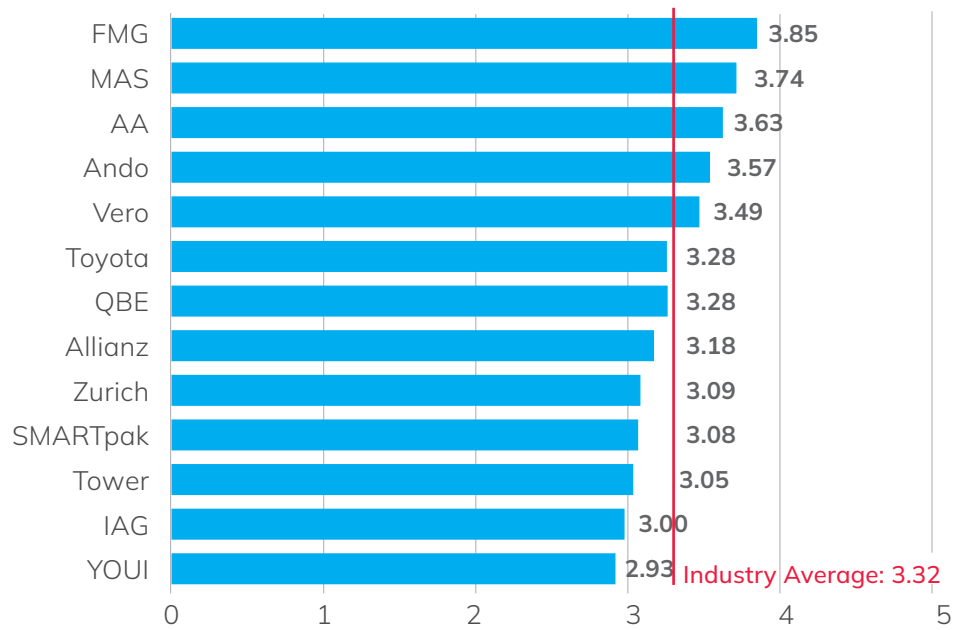


Insurance company claims process has also come under downward pressure and has dropped away since 2020, down by just under a quarter of a point, with only two insurance companies again making improvements; IAG up just over a quarter of a point from 3.44 to 3.70 in 2023 and Toyota up by 0.13 from 2020's 3.44 to 3.68 in 2023.

2020 CLAIMS PROCESS INDEX

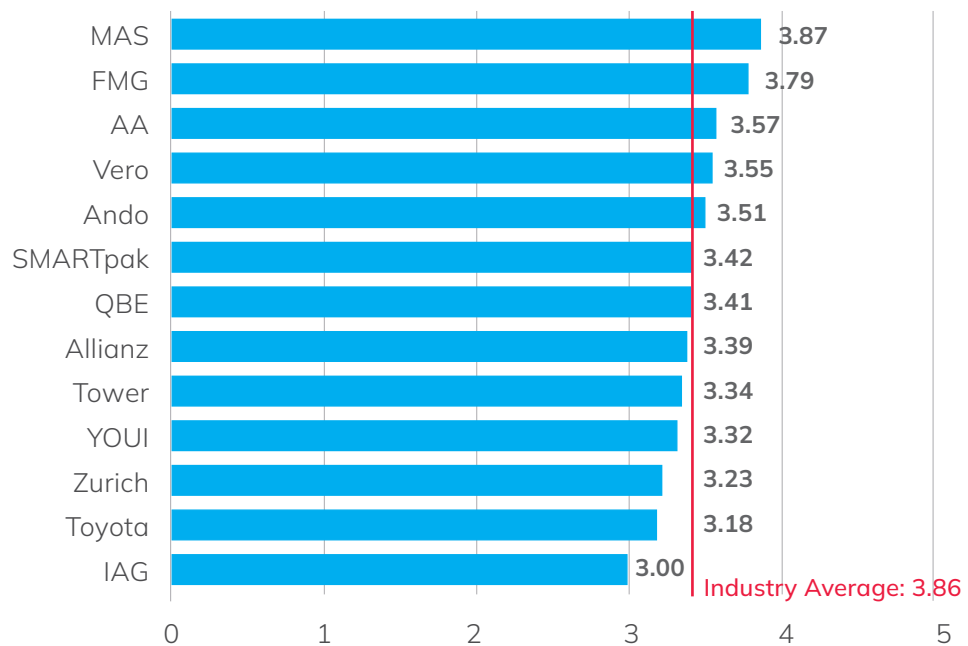


2023 FINANCIAL INDEX

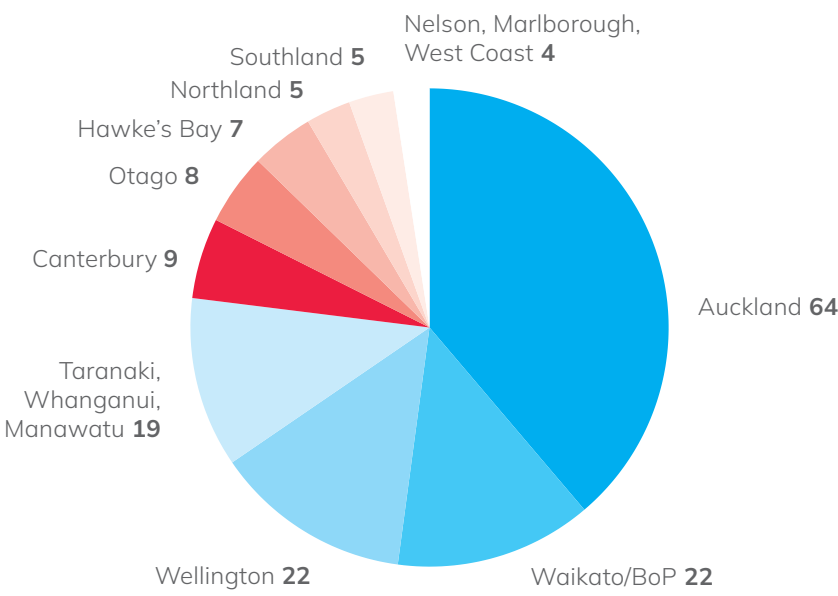


The financial index has seen some minor upward movement from Toyota, AA, Ando and FMG, the rest of the market has dropped or stayed the same. The biggest concerns that have affected this category have been in the unit time allowance, paint allowance and promptness of payment.

2020 FINANCIAL INDEX



REGIONAL SPLIT



Region	Number of responses
Auckland	64
Waikato / BoP	22
Wellington	22
Taranaki, Whanganui, Manawatu	19
Canterbury	9
Otago	8
Hawke's Bay	7
Northland	5
Southland	5
Nelson, Marlborough, West Coast	4

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?”

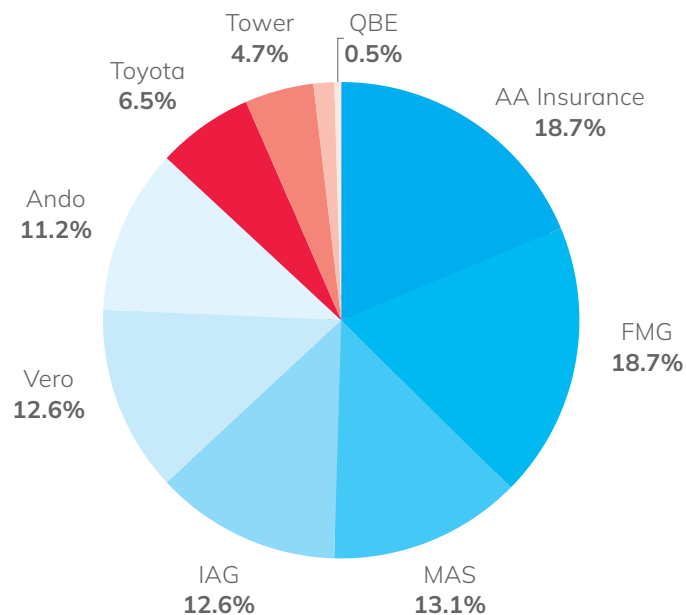
Insurance company	Reliance Percentage
IAG	42.7% said more than 25%, 33% said more than 50% and for 4.9% it was over 75% reliance
AA Insurance	22.5% said more than 25% and, 2.5% said more than 50%
Vero	20.9% said more than 25%
FMG	16.1% said more than 25% and 1.1% said more than 50%
Tower	13.8% said more than 50% and 3.4% said more than 50%

The estimated percentage of revenue coming from insurers has dropped and in the 25-50 percent revenues IAG has fallen off the cliff and has nearly halved from 83 percent in 2020 to 42 percent in 2023. In the 50 to 75 percent reliance area IAG has again seen a big drop-off from 56 percent in 2020 to only 33 percent in 2023.

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
AA Insurance	40
FMG	40
MAS	28
IAG	27
Vero	27
Ando	24
Toyota	14
Tower	10
Smartpak	3
QBE	1



Vero, Ando and MAS have seen slight increases compared to 2020, AA is steady, whilst IAG, FMG and Tower Insurance have seen declines as the recommended options to family, friends, and customers.

Finally, the questions around insurance owned repair facilities again highlighted some concerns in the industry.

There are concerns regarding the work mix that is being taken out of the marketplace. Repairers near these facilities are not only facing adverse effects, with some reaching unsustainable levels, and some have already closed during 2023.

There is also widespread concern about future sites. This uncertainty is creating a hesitancy and fear among repairers about potential staff and business losses within the industry. As well as a reluctance to invest in collision repair. Another fear is the skills shortage as good structural collision repair technicians move to work on minor repairs only.



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While we have done our best to ensure all information is correct, this is subject to change – we're always working on ways to bring you more value for your membership. If things do change, the latest details will be at www.mta.org.nz



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