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23 June 2020

Adjudications
Australian Competition and Consumer Commission
GPO Box 3131
Canberra, ACT 2601

Via Email: adjudication@acc.gov.au

c.c. Contact Officer: Koby Maybury (koby.maybury@acc.gov.au)

Dear Adjudications,

The Motor Trades Association of Australia Limited (MTAA) thanks the Australian Competition and Consumer Commission (ACCC) for the opportunity to provide a supplementary submission on the Draft Determination on the application for authorisation AA1000485 lodged by Suncorp Group in respect of insurance relief measures for largely small business policyholders.

MTAA is a peak automotive sector not-for-profit Federated organisation whose members are the State and Territory Motor Trades Associations and Automobile Chambers of Commerce. Under the MTAA umbrella there are also several discrete industry associations that provide an avenue for businesses in these industries to provide input, feedback and issues to national policy and regulatory matters impacting their industry and its operations. Specific to this submission is the Australian Motor Body Repairers Association (AMBRA) whose businesses are member constituents of MTAA Member Associations.

MTAA, Members and AMBRA supports the granting of the authorisation and the rationale to give it effect contained in the draft determination by the ACCC. MTAA congratulates the insurers, Suncorp, Allianz Australia, and QBE, for recognising the impacts of the COVID-19 pandemic on small business and the hardship generated because of containment and suppression actions.

While noting the submissions of the Insurance company applicants regarding the take up of the assistance measures, MTAA wholeheartedly agrees that the authorisation should be granted to 31 December 2020 at the earliest.

MTAA over past weeks has been gathering information on the impacts and issues arising from the COVID-19 pandemic and actions taken to contain and suppress the virus as well as assistance and stimulus measures provided by Governments and industries including the three insurance company applicants.

MTAA shares the concerns of many of its constituents that there is considerable ongoing uncertainty and concern on the full extent of economic impacts and that these may not be fully realised until after the cessation of government stimulus and assistance measures, currently scheduled for September 2020.

A significant cohort of MTAA member business constituents have taken up JobKeeper and other Commonwealth and State and Territory Government assistance measures to keep their doors open and staff employed. Many automotive businesses who have remained open throughout the past weeks, have endured critical reductions in trade because of confusion created over inconsistent approaches to shutdowns and lockdowns across jurisdictions and the impact this has had on Australians seeking to service and repair their vehicles.





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Many have also been materially impacted by supply chain delays caused by international production facility closures and freight and logistic problems in the procurement of products, parts, components, and equipment. Assistance measures provided by the applicant insurance companies under this authorisation are assisting in enabling continuity of insurance during these difficult trading conditions.

While recognising the ACCC does not believe change is necessary, MTAA nevertheless supports the suggestion of its Member Association the MTA of NSW the inclusion of additional wording to part (e) relating the Section 3.2 Description of Conduct as this assist's clarity. MTAA also shares some of the concerns raised by the National Insurance Brokers Association of Australia in regard to the need for clarity regarding impacts of claims made during deferment period and the need for a payment schedule as opposed to lump sum payment given the ongoing economic uncertainty.

MTAA notes the ACCC response to these matters, but believes they are still worthy of further consideration.

MTAA notes the submission of QBE and 'additional relief measures' deployed by QBE including:

- *An accelerated cash-settlement process for customers who have a natural disaster claim underway and would prefer to manage their own repairs, and*
- *Changes to claim processes to mitigate against infection between suppliers and customers*

While thanking QBE for these additional measures, MTAA urges caution over the preference for cash settlement as an accelerated process given it is MTAA's experience that cash settlement can be a cause of disputation and disagreement between the consumer and the insurance company over the sum of the cash settlement.

MTAA also questions what is actually meant by the term '*mitigate against infection between suppliers and customers*' and seeks clarity on what the changes to the claims process are and the 'infection' referred to in the context of this authorisation application and potential impact on motor body repair businesses in the claims and repair process.

MTAA respectfully suggests based on feedback on this application and the draft determination there is merit in the applicants considering the addition of a further relief measure for consumer policy holders.

This measure would provide relief to car insurance policy holders by waiving the payment of the excess where a claim for repair has been duly authorised. This measure would have an immediate impact on ensuring the ongoing safety and integrity of motor vehicles by encouraging consumers to have their vehicle repaired where authorisation has been approved and removing the limitation of excess payments during economic hardship.

The MTAA applauds the insurance company applicants for their timely provision of assistance measures and the ACCC for the opportunity to provide input. Please contact Mr Richard Dudley, CEO MTAA, if any further information or clarity is required regarding this submission at [redacted] and / or [redacted].

Yours Sincerely,



Richard Dudley
CEO MTAA LIMITED

