New Times and Rates Q and A Session

Updated Q & A 07/12/2007

Have repair costs increased under NTAR?
We have been monitoring repair costs in the Taren Point catchment and they appear to be consistent with what is occurring across metro Sydney. However, given the small number of repairs over this period we have not seen any clear trends in the data.

How receptive have repairers been to the adjustment of actual repair times and how have Assessors managed the change in negotiating repairs?
Repairers like our Assessors have found it challenging to adjust to the new method of quoting the realistic repair time. We have found at Taren Point after the roll-out it took a couple of weeks for repairers to accurately quote the realistic repair times, and to also correctly calculate the consumable and material allowances.

What if a car is deemed a Total Loss and the repairer is on a high ‘Labour Rate’ can the vehicle be moved to a repairer with a low ‘Labour Rate’?
No, firstly we need to understand that just because a repairer’s labour rate is higher than another’s, their quotes may not necessarily be more expensive. This is because they may be able to complete the work more efficiently as a result of having highly skilled labour; therefore the total cost of repair may be the same or lower than a repairer with a lower hourly rate. Secondly, the method of repair is still a key driver, and moving the vehicle to another repairer will not necessarily change the cost of repairs as the vehicle may still be uneconomical to repair.

How have Assessors managed attending repairer shops with different labour rates?
Assessors have not experienced much difficulty as the only difference between the quotes is the labour rate. Repairers are using NTAR scheduled times and allowances as per the website.

Has there been any training for the estimators at repair shops and if not what support can we provide?
When we hold repairer training sessions before a catchment rolls out we invite the owner and another staff member from the repair shop. Based on the training conducted so far we have found the owner will have the estimator attend.

When will ORM upgrades occur and what will change?
We are currently working to firm up the timetable for ORM & BONUS system changes required for NTAR. However at this stage we are looking at the middle of next year.

When will the QSV’s be updated?
We have provided the latest times to all QSV’s and are providing them with updates as they become available. At this stage we have not been advised as to when the packages will be updated.

Has Taren Point found productivity increased or decreased?
Initially as both repairers and Assessors adjusted to the new method of quoting, productivity had decreased with regards to the time it takes to assess a vehicle. However in the last couple of weeks at Taren Point we have found productivity to increase to a level close to what it was before roll out.
Should trucks be quoted in NTAR or FTFM when a catchment rolls out and if NTAR will they be scheduled?
If a quote is submitted by a repairer who has agreed to quote NTAR then all quotes including trucks should be submitted in the NTAR format.

Why can't repairers use their own NTAR method and their own rate?
NTAR is our solution to the issue of Funny Time Funny Money.

We are willing to receive feedback on any issues with NTAR to ensure the quoting method remains transparent, however the only R & R, Paint, Consumable and Material methodology we will accept will be the one based from the NTAR website.

What have we found with actual repair times, are they at a level that was expected?
The experience to date has shown that the times are quite accurate. Where repairers have disputed the repair time we have attended their premises and monitored the repair and have gained agreement on the time allowed for repairs.

Do repairers ‘Labour Rate’ need to be specifically one of the nine numbers in the ‘Labour Rates Guide’?
No the ‘Labour Rate Guide’ is merely that. It was developed to enable repairers to quickly get an indication of how much their rate may be within a range. Our studies showed that the majority of repairers’ hourly rate would range from $60 to $94.

Why can’t a repairers ‘Labour Rate’ increase and repair time remain the same?
The entire NTAR methodology is based around a sustainable and transparent quoting system fair to both repairers and insurers. The main benefit being is that this methodology allows for ongoing increases in repair materials, consumables and labour costs to be factored in over time.

How do repairers explain to their staff that an increase will not occur in their wage, when they see the ‘Labour Rate’ increase significantly?
The hourly labour rate is based on the current performance of the business and should be cost neutral as your business transitions from FTFM to NTAR.

How do we intend to maintain the same productivity and quality of assessing staff when there is a new methodology and a general skill shortage in the industry?
We are doing everything possible to ensure our staff are trained to a level where they fully understand the change and can coach repairers through this period as well.

How can Assessors negotiate repairs when they have not repaired a vehicle in 20 years?
We have a detailed training program which is ongoing and includes updating staff with new models and the repair methods of the new vehicles. We also update assessing staff on new technology which repairers may be utilizing.

How does IAG intend to compensate repairers in rural areas with low productivity, low volume and increasing remuneration costs for staff?
We are working with repairers in the rural areas who are moving to NTAR to help ensure they remain viable and sustainable businesses for our customers.

How are the Sundry items calculated and agreed to and are they negotiable?
The Sundry items for NTAR were agreed to by a group comprising of our staff, trial repairers and MTA NSW representatives. If you have any feedback on Sundry items you can complete a Field Submission via the NTAR website. Once the committee has reviewed the feedback they will determine if the guide should be updated. Once the change is agreed it is then published on the NTAR website.
How are repairers expected to make a profit out of jobs less than $1000?
The move to NTAR is expected to be cost neutral. The benefit of this new quoting method is that no longer does one part of the quote cross-subsidize another.

How do IAG ensure confidentiality of individual ‘Labour Rates’?
The ‘Labour Rate’ for a repairer is confidential, our staff have been instructed that repairer labour rates are not to be shared. We expect the same confidentiality from repairers and this is something that should not be discussed between repair shops.

How can I use the ‘Labour Rate’ calculator when my system doesn’t have Excel?
Unfortunately MS-Excel is required for the calculator to work.

How can you ensure the accuracy of the Performance Model?
We are currently reviewing the Performance Management model to determine what modifications will be required to it as a result of the introduction of NTAR.

Will I be compared to FTFM repairers under the Performance Model?
We are currently reviewing the Performance Management model to determine what modifications will be required to it as a result of the introduction of NTAR.

Will I be compared to repairers with a different ‘Labour Rate’ under the Performance Model?
We are currently reviewing the Performance Management model to determine what modifications will be required to it as a result of the introduction of NTAR.

Why does altering the hourly prime labour cost not change the hourly labour rate?
The Prime Labour rate refers to the average hourly gross wage (inc tax but excluding on-costs such as workers compensation) for each of the work categories. It becomes the benchmark hourly rate if a shop was running at maximum efficiency. This enables a business owner to examine how productive they are against this benchmark rate once they calculate their hourly labour rate. The hourly labour rate is calculated based on the total income divided by the number of hours available in a shop.
Background

What is Funny Time Funny Money (FTFM)?
FTFM is the process whereby repairers overestimate the time taken for vehicle repairs to compensate for hourly rates which have remained largely unchanged for many years.

Are the MTA supportive of this initiative?
Yes, we have consulted the repair industry through this entire process. We have been speaking with our own repairers and MTA NSW and we strongly believe that we have led the insurance industry in bringing in a workable, fair and transparent solution to FTFM.

What are other insurers doing?
We have heard other insurers have begun working on a new quoting method. We do not have any detailed information though on this.

Repairs have been stating that trial repairers they have increased their profits by 30%. Is this true?
No repairer in the trial increased their repair costs by 30%. From our research we have found that ‘New Times and Rates’ should be a cost neutral change.

The components of each job are different we believe under the new model some repairs may slightly increase and some slightly decrease. NTAR provides a transparent and fair way of quoting Motor Vehicles.

Why do repairers need to change quoting methods?
We are moving away from FTFM whereby repairers overestimated the time taken to repair the vehicle to compensate for hourly rates which have remained largely unchanged for many years. The change will be a transparent method of quoting where repairers and Assessors can discuss repairs using realistic repair times. Repairers also have the option of continuing to quote in the current method until June 2009.

Will all repairers be quoting NTAR in June 09 Australia wide?
For NSW this will be the required methodology for June 2009. For other states the timeframe for this to be compulsory will vary dependent on the implementation commencement date.

What happens if all repairers refuse to quote NTAR and what is the back up plan?
The reaction so far from the repair industry has been positive. Should repairers or the industry have issues we will attempt to resolve them. We plan to have implemented NTAR across Australia by June 2009. (NSW will be compulsory by June 2009). In NSW, take up is voluntary until that date.

Why are there two manuals MTA and NRMA Insurance?
We are building an improved relationship with the MTA. Ideally we would like to work on having a manual that is accepted industry wide.

Do the current repairer quoting packages support NTAR?
We are currently in discussions with Quotation Software Vendors (QSV’s) and we can expect to see updated products in the market place soon. For ORM in the interim the additional information required to complete a quote will be placed into the free format text fields under the miscellaneous code.
‘Labour rates’

Is CPI considered in ‘Labour Rates’ and how often is it considered?
The current financial environment has been considered and the ‘Labour Rate’ will be reviewed annually taking into consideration the financial environment applicable then.

Why can’t repairers use their own ‘Labour Rates’ methodology?
Repairers will have the opportunity to submit their own hourly ‘Labour Rate’ to us during the introduction of NTAR. This will be validated against the methodology developed by Deloitte’s. We have a range of hourly ‘Labour Rates’ for repairers that takes into account the rent for their repair shop, labour costs, and repairer productivity. These rates have been validated with repairers across NSW whom Deloitte worked with as part of this development process. The new rates have added mechanisms for regular reviews, to help ensure they keep pace with factors such as inflation, changing technology and changing costs to help avoid returning to a FTFM situation.
If there is still no agreement we and the repairer will enter negotiations to come to an acceptable resolution.

Why can’t repairers use their own times?
During the NTAR trial significant work went into developing accurate times for operations and we have gained confirmation from the MTA NSW that these times are accurate.

Will ‘Labour Rates’ be different for Prestige Repairers?
We believe the rates we have developed in conjunction with Deloitte’s adequately caters for repairers in this category as the rates have been determined by factors such as rent, labour costs and productivity. We will continue to review this as we roll out NTAR.

Will ‘Labour Rates’ be different for rural vs. metro?
We engaged Deloitte’s to develop a model as to how repairers can calculate an hourly ‘Labour Rate’ for vehicle repairs that takes into account the rent for their repair shop, labour costs, and repairer productivity among other factors.
There will not be rates set specifically for rural and metro.

What happens with major changes to a business which may affect ‘Labour Rates’?
The key drivers of the hourly rate are rent and labour. If there are significant changes to a repairer’s business model which affects these drivers, the repairer should contact us and, if appropriate, apply to us for consideration of their re-calculated hourly rate.

What happens when a repairer disputes the ‘Labour Rate’?
We can assist repairers in helping to validate their new rate using the model developed by Deloitte.
Speak to your Site Manager/Team Manager for assistance.

How do we explain ‘Labour Rates’ differences to repairers in close proximity?
First, we must not disclose a repairer’s hourly rate to another repairer. Geographical factors are only one of the drivers that affect rent. The methodology developed by Deloitte considers the rent per square metre, labour costs and repairer productivity.

Are repair shops rated or graded by their ‘Labour Rate’?
Repairers are not individually rated according to their ‘Labour Rate’, nor will their status within our repair network determine their rate.

If a repairer buys equipment/machinery/courtesy cars/tow trucks etc does the ‘Labour Rate’ get adjusted and how is this considered?
No, the key drivers of the hourly rate are rent and labour. If there are significant changes to a repairer’s business model which affects these drivers, the repairer should contact us and, if appropriate, apply to us for consideration of their re-calculated hourly rate.
What happens if a shop goes bankrupt?
A shop that is already inefficient and unprofitable under FTFM will not suddenly improve because of the introduction of NTAR and nor should the reverse be true. Any repairer who quotes on NTAR will have an opportunity to opt back once to FTFM if they realise their business is not ready for NTAR.

Do repairers need to upgrade their repair shop to get higher rates?
No, as the key drivers of the hourly rate are rent and labour. If there are significant changes to a repairer’s business model which affects these drivers, the repairer should contact us and, if appropriate, apply to us for consideration of their re-calculated hourly rate.

Who will maintain the ‘Labour Rates’ with repairers?
Your local management team will be responsible for ensuring these rates are reviewed.

Who will review the Times and ‘Labour Rates’ annually?
A cross industry forum consisting of IAG and MTA NSW representatives will be reviewing the times annually. ‘Labour Rates’ will be reviewed by IAG annually and will consider such factors as rent and labour. It will take place in June 2008.

Are there admin costs for repairers to upgrade systems?
At this stage we are not aware of whether system providers will be charging repairers for any system updates. The New Times guide will still be publicly available via a web-site.

Are we moving to a ‘do and charge’ environment?
No, the method of repair should not change and the detailed quotation should accurately reflect the work to be completed during the repair process.

What will Assessors be focusing on when assessing an NTAR quote?
Now R&R and paint times are accurately reflected in the New Times guide, our Assessors will be focusing on the correct method of repair and the repair time.

What support do repairers get during roll out?
We have and will be conducting further repairer information sessions in each catchment as it rolls out. This will provide repairers with details of how we will expect an NTAR quote to be itemised and constructed including relevant consumables and materials allowances. Furthermore, should repairers not wish to move to NTAR straight away, the take-up is voluntary. We are also encouraging repairers to seek their own independent financial advice before making any change.

Will NTAR assist in increasing Tradesman wages?
No, market forces determine the wages and rent for any business.

Has overtime been factored into the hourly ‘Labour Rate’?
Yes, overtime hours are included in your total available hours to sell.

What percentage of profit is in the hourly ‘Labour Rate’?
The profitability in a repair shop is in its productivity not its hourly ‘Labour Rate’.

What if a repairer has more advanced technology/equipment than a repairer nearby?
The hourly ‘Labour Rate’ is not affected by the technology or equipment a repairer has. Reasons for updating technology is due to the age or wear and tear of equipment or to update to advanced technology which will improve a repairer’s productivity.

Are Apprentices/Office staff considered in the ‘Labour Rate’?
Office staff are not included in the ‘Labour Rate’. Apprentices are considered in the calculation of the labour costs.

What if a repairer owns the premises?
The calculation for your ‘Labour Rate’ will be calculated utilising the current market rent per square metre for your premises. This may mean you need to complete research to determine what the current market rent is through local real estate agents.
What happens with sub contractors? How do they affect the ‘Labour Rate’?
A repairer needs to include payments to contractors in the monthly wages calculation.

What if a repairer located nearby has higher remuneration packages for their staff?
Whilst staff expenses are a factor in determining the hourly ‘Labour Rate’ repairers should be wary of attempting to increase their ‘Labour Rate’ in the belief that this will increase profits. Our research has shown that productivity is the real driver of repairer profitability and not the hourly rate.

What if a repairer has used another company’s calculator. Do I need to have an IAG ‘Labour Rate’ and does it need to be verified?
We can validate a submitted rate from a different calculator. All repairer’s will have a ‘Labour Rate’ mutually agreed with us. There are different methodologies used.
We believe that our calculations consider major factors such as labour costs, rent and productivity and the repairer and IAG will work together to agree on ‘Labour Rate’.

Can a repairer submit an application to move towards NTAR after their catchment has gone live?
Yes, a repairer may submit an application at any time by fax and post, however your preferred starting date should be at least 30 days after the date you submit your application to us to give us time to assess your application.

How will a repairer know if the application for the ‘Labour Rate’ is approved?
If we accept an application we will confirm this in writing including the actual start date. If we cannot accommodate the preferred start date we will consult with the repairer and aim to mutually agree a start date.

What happens if a repairers ‘Labour Rate’ application is not approved?
We may not initially accept an application if we are unable to validate the information provided or agree with the method of calculating the labour rate. In this case we may ask to provide clarification or further information. We may seek permission for our accountant or other representative, to have access to premises, accounts and other information to help validate the information or assist us in our assessment. If a repairer declines to give such access, we will respect that decision, however it may mean we can’t approve the application.

If we cannot resolve issues relating to the application then the repairer will remain on FTFM until such time as those issues are resolved. We encourage each repairer to take steps to be ready before NTAR becomes our standard quoting practice from 30 June 2009.

What happens if a repairer does not move to NTAR?
The existing FTFM quoting practice continues for the time being until 30 June 2009, or such time as a repairer applies to use NTAR and we approve the application. We encourage repairers to think about getting their businesses ready for NTAR as soon as practicable.

What if a repairer moves to NTAR and then have difficulties using it?
Depending on the nature of the difficulty, a repairer can consider getting independent advice.

Should a repairer find it difficult to transition to NTAR, they can also consider choosing to opt back to FTFM until such time they feel that the business is able to change to the new quoting practice. However, in the interests of efficiency and minimising disruptions, this opt out can only be used once between 22 October 2007 and 30 June 2009. Of course, depending on the nature of the difficulty we will review the request and consult with you.

What happens after the application is approved?
Effective from the agreed start date, the PSR or ASR Agreement (as the case may be) is varied by agreement between the repairer and the IAG Insurers so that part A1 “Maximum Allowances – Labour and Paint” in the annexure is deleted and the attached “New Times and Rates (NTAR) Schedule (NSW 2007)” is substituted and applies to relevant work allocated on or after the start date. The New Times and Rates (NTAR) Schedule (NSW 2007) is also a guideline issued under the Agreement and agree that you must comply with it. If there is any inconsistency between the attached NTAR Schedule (NSW 2007) and the Agreement, the provisions of the Schedule will prevail to the extent of the inconsistency.
Repair Times/Rates

What is the smallest increment for repairs i.e. small chip?
Under NTAR the repair time should reflect a realistic time for the repair operation.

What constitutes a repair time? What is the make up of the repair times?
Repair time is up until the repair is finalised prior to the application of any primer. This is no longer an issue as the ‘Labour Rate’ is constant between panel and paint.

Will repairers use MTA or NRMA Insurance New Times?
If a repairer is to carry out work with us under NTAR then the NRMA Insurance New Times will be used. We have completed research and analysis of these times and are confident that they are realistic. We also have a feedback mechanism should repairers disagree with any of the times or rates. Our research will be ongoing.

Have all the times been reviewed? When and how often will they be reviewed?
Throughout the trial times and allowances have been reviewed using the feedback from the trial group of repairers and the MTA. As we are made aware of any inaccuracies via the Field Reports these times will be reviewed.

Have times been set with hand tools or power tools with Remove and Replace?
The times have been validated across businesses with varying levels of equipment and expertise over the past 8 months using normal industry tools and equipment.

Have times been set with hand tools or power tools with Repair?
Repair times are not scheduled and are negotiated between Assessors and repairers and will be based on the industry standard time of repair.

How did we reach the new times?
By measuring the exact time in a controlled environment and validating this against a workshop environment including the time taken for the relevant operation i.e. finding tools, cleaning tools etc.

Is there a new sundry items guide?
Yes, this is in the process of being completed and will be cascaded to Assessing staff and Repairers throughout the roll out.

Will we be scheduling R &R and paint times for prestige vehicles?
Yes, this is in the process of being completed and will be cascaded to Assessing and the Repairers as it is completed.

What mechanical rates do repairers charge when completing repairs in house? Is there a cap?
The New Times Guide has scheduled times for mechanical components which means that the NTAR hourly ‘Labour Rate’ would apply.

How have Spot welds time been calculated?
They have been developed by measuring the exact time to drill, clean, prime and replace a spot weld and adding a set up allowance. This has been validated in a workshop environment.

What if we Assess or Repair a vehicle which has not been scheduled? How do we know times are accurate?
We expect Assessors to use a similar type of vehicle, size, make, model etc. A Field Report should always be submitted to assist us.

Can Repair hours be determined accurately and consistently? How do assessors manage this?
There are a number of training tools which have been trialed including the Repair Calculator Template which will be used to assist Assessors and Repairers.
Will material costs be amended?
Yes, these costs will be reviewed annually. We will be working with Paint companies to review any increases that occur. However triggers are in place to review any increases throughout the year.

How will NTAR be affected with sectional mark ups?
Current practices on fair and reasonable mark up will continue under NTAR.

Why can’t we use the ‘Funny Times’ manual with new rates?
The ‘Funny Times’ are not realistic times and have been amended to NTAR to accommodate for an increased hourly rate.

Are dealers included under this quoting method?
Any dealer who owns a panel shop, will adopt this quoting method if they wish to take up NTAR.

Is the process for preferred suppliers/used parts still the same i.e. windscreens?
Yes the same process applies.

Do PDR repairers use this rate?
Specialist hail repairers will be using the Dent Estimator system to prepare quotes.

Is there an avenue for repairers to question R&R and paint times?
We encourage repairers to fill in a Field Submission Report through the New Times website and submit for review.

Is there an avenue to question repair times?
The current process of negotiation with an Assessor and then Senior Assessor continues as normal.

Will the Environmental Allowance and Booth Allowance still remain with NTAR?
The maximum Environmental Allowance of $6 per quote (excluding GST) applies under NTAR. The Booth Allowance no longer applies as paint materials and consumables are now quoted separately.

Does the ‘FTFM’ time guide still exist?
Yes, the ‘FTFM’ will continue to exist as repairers may choose to quote under FTFM any time up to June 2009.

What about ‘old’ damage can we ask for extra time?
The time provided will be in keeping with any repair operations required regardless of the age of the damage.

What will occur if extra time is required for a particular repair?
This will continue to be processed as an Additional under the current process.

How long does it take to prepare a quote using NTAR?
Once a Repairer and Assessor are comfortable with the change in the new methodology the time taken to quote a repair should remain the same.

What if a repair costs such as paint increase throughout transition?
We have already factored in paint and consumables increases. We do not envisage any further increases in costs through the transition.

Will cost of repairs change over time?
Yes, although initially under the NTAR model we believe some repairs will slightly increase and some slightly decrease. Due to the transparency of the quoting operation it will change and evolve with the industry and/or financial environment.
How will behavioural reviews work with performance management?
For repairers who use NTAR, the behavioural review will continue unchanged in comparing
the repairers quoting behaviour. We will work with repairers if we see any discrepancies in
their results.

How can we be assured data is accurate for performance management?
We are confident the data will be accurate as the data is entered and extracted the same
way. The performance management system calculates its score off the repair costs paid to
the repairer. This will not change with the introduction of ‘New Times and Rates’ although the
make up of the labour components within the quotation may vary.

Are there adjustments to the scorecard?
We are currently reviewing the impact of the existing scorecard and will advise of any
changes if they are made.

Is there a buffer period for scorecard period as roll out occurs?
For the scorecard there is no need for a buffer period. With the training we are providing
Repairers and Assessors we do not feel a buffer period is warranted.
However we will always monitor issues that may arise with individual repairers.

Will there be amendment to PSR/ASR agreements?
Yes, amendments will be made when repairers decide to quote on NTAR. Repairers will
receive notification of the changes prior to agreeing to quote via NTAR.

What if a repairer advises us they will advise on a repair time after completion?
As always it is expected a repairer will quote and estimate on every job. For larger repairs the
Assessor may decide to utilise the Monitor Repair process.

What if a repairer is not willing to negotiate?
Discuss with the repairer if they wish to engage the Senior Assessor or seek another quote.
Our insurance policy allows us to seek a second quote (practically we will get the customers
permission) and this will be utilised if required.

What happens if after June 09 a repairer still refuses to quote NTAR? How does this
affect customer choice?
We will seek to understand the repairer’s issue and attempt to resolve it. We believe it is
unlikely that isolated repairers will choose to stay with FTFM.
**Trial & Roll out**

**Is the trial with the trial repairers continuing?**
No, the trial repairers have been invited to participate on NTAR and will be a part of the first group of repairers beginning on NTAR.

**What catchments and why for roll out?**
We plan a staggered roll out nationally starting first in Sydney in October this year with the Taren Point catchment area. Taren Point was selected as it did not have repairers who had been involved in the trial, it is a small catchment area allowing us to train repairers and Assessors in a shorter time frame for roll out, and the geographical area also suits the needs of the roll out.
We will then bring individual NSW and ACT assessing regions on one at a time before moving into other states.
Once NSW is complete, roll out to interstate locations will then be looked at with an expected completion date of March 2009.
We hope to have NSW completed by June 2008 before moving into Victoria.
At this stage we envisage entering Victoria in September 2008, South Australia October 2008, Western Australia November 2008 and Queensland January 2009.

**Why is roll out so long?**
This is a new model that both repairers and assessors will need to learn and become confident with.
Around Australia we have more than 400 assessors and 900 Preferred Repairers alone to train. We believe it is better business to get this right rather than rush the introduction.

**Do trial repairers keep their current rate as roll out occurs?**
No, the trial will be finalised and we will work with these repairers to validate their rates using the Deloitte’s calculator.

**Why do repairers have to wait for roll out to happen in their catchment?**
As this is a large change with the quoting methodology it will take time for Assessors and Repairers to adjust, which is why we have planned a phased roll out which will allow we and the industry time to adjust to these changes. This ensures we have sufficient Assessors trained to handle NTAR quotes in that area.
What training will be available for repairers and Assessors for NTAR?
Each site will be notified on its training schedule shortly.

All Assessors will have detailed training before their catchment moves to NTAR.

We will be providing repairers training in the new quoting methodology prior to implementation in their area.

Are external assessors and External Suppliers getting trained?
Yes, we will be providing training to external assessors and provide detailed information to External Recovery Agents and Legal suppliers.

Will NTAR be processed through ORM?
Yes, although through the initial stages though there may be an increase for more Field Assessments.

How do we process the volume, will there be more presence in the field?
There may be an initial increase in field assessments carried out while we embed the new quoting method.

How do we communicate and supply rates to ‘Non Network’ Repairers?
All repairers will be invited to participate in NTAR.

What if a Repairer and Assessor can not agree on a quote?
The Assessor will refer the issue to the Senior Assessor for review as per the current IDR process.

Will there be an independent review for a disputed quote?
No, the MVIRI Code of Conduct does not apply on quantum.

Do repairers get vehicles independently assessed?
No, the current process involves us authorising repairs and this will not change.

Will tendering still occur under NTAR? What should repairers quote in?
Yes, repairers will quote in their nominated quoting methodology once their area has rolled out.

In tendering what happens when we compare NTAR vs. FTFM quotes?
We will authorise repairs on the most competitive tender, repairers must only quote one method.

How does NTAR change Care & Repair?
The current process still applies where the first point of contact with a customer will be the Care & Repair Centre.

How will Assessors know what ‘Labour Rates’ repairers are charging? How will this be done?
We will have the ‘Labour Rates’ available for Assessors on the Assessor’s schedule so they are aware of the rates as they arrive at the shop.

If an Assessor calls for a second quote does it need to be the same quoting methodology?
Where possible a second quote will be in the original form. It is requested when a repairer and Assessor do not agree on a cost or method of repair to repair the vehicle, that the second quote will be in the form used by the original repairer.

What training will Assessors receive?
The training will be practical and hands on, along with training videos and theoretical training to support the change.
Will the Monitor Repair process still apply to ‘New Times and Rates’?
Yes.

Will self assessing still exist during roll out?
NTAR will allow repairers to continue with the Self Assessing model. This will be a local business decision. Initially though an increase in Field Assessments may occur to educate repairers and assist Assessors in the transition.

What happens with Tendering when repairers tender for a job outside of their catchment?
The majority of tenders are from their own catchment area. Where a job has opened up outside the original catchment a repairer will quote via their current nominated method and the most competitive tender will be successful.

With rectification on repairs, what happens recovering these costs off the original repairer if they are on different quoting methods or ‘Labour Rates’?
The current process remains in place and all repair costs for the rectification will be the responsibility of the original repairer.

What happens with OP claims?
Repairers will be quoting in whichever methodology is applicable for that repairer at the time. Once a repairer decides to quote on NTAR all quotes including the OP’s will be submitted in this format.

When does training start?
The Training area is currently sorting out some key dates. The necessary training will be provided before each catchment moves towards ‘NTAR’.

What if a non network repairer chooses not to use NTAR quoting method?
Provided the catchment area the repairer falls in has introduced NTAR we would encourage all repairers to quote in this method, although it is voluntary until June 2009.

How does this affect customer’s choice of repairer?
This has no impact on the choice of the repairer a customer makes.

How do we negotiate deletions with repairers?
The current process remains in place. Communication with repairers has not changed. We need to be up front, transparent and truthful in these negotiations to ensure a fair and reasonable price is paid for the repairs.

Will new catchments receive support from other catchments that have already gone ‘live’?
Yes, any support mechanisms available will be utilized. This includes support from Assessors from a previous roll out.

What happens to a repairer who quotes NTAR and the quote arrives at a CRC not yet rolled out in NTAR?
A Senior Assessor or a nominated Assessor will be trained at each CRC so once a customer arrives with an NTAR quote it can be handled immediately. If at any stage the Senior Assessor or ‘Champion’ is unavailable, an Assessor will take images and complete a SOW as per the normal WRM process and refer this upon the staff member’s return. We will only accept NTAR quotes from regions that have introduced NTAR and we have agreed with the repairer that this is their methodology.

Will Assessors be expected to assess on both quoting methods?
We would prefer that Assessors only assess on one method however business needs and geographical locations may require Assessors to complete different methods on the same day/week.
When completing a Scope of Works at a Care & Repair Centre do I complete in FTFM or NTAR?
If NTAR has been rolled, the Scope of Works will be completed in FTFM until such time as we have Assessors and repairers trained and aware of the quoting methodology NSW wide.

What is the minimum repair time to attract panel consumables?
There is no minimum. The repair time is multiplied by the consumable allowance.

What is the minimum paint labour time to attract paint consumables?
There is no minimum. The paint labour time is multiplied by the paint consumable allowance to provide a return for the paint consumables that are used.

What is the current blend time?
Extensive trial and research has shown the correct time will be 70% of the panel out paint time.

When does the 25% paint loading apply?
An allowance of 25% of 'OUT' paint time can be added when the repair time exceeds 1 hour on applicable consumables.

If a repair has quoted 0.50 in Repair can the repairer quote for the 25% paint loading?
No. An allowance of 10% of the 'OUT' paint time can be added when the repair time is above .25 and below .99 hours.

What is covered in the 25% paint loading?
The necessary work to prime, seal and initially block the primed panel.

Is the repairer entitled to a 25% loading on an exchanged part?
Yes. This only applies to external painted surface panels i.e. front & rear bars

Can the repairer quote for 25% paint loading on replacement door skins?
Yes. The repairer is entitled to this 25% loading on the exterior paint time.
Other

Does this apply to all IAG insurers?
Yes this includes CGU IB.

Will this affect customer's premiums?
It is expected this will be a cost neutral change and therefore should not affect premiums.

Will customers receive anything about the changes?
No. Media announcements will provide some information to customers. Again, we see this as being a cost neutral change and only affecting the repairer and insurer relationship.

Are all insurers using the same standard rates?
At this stage we are not aware of what other Insurers are doing.

Will information be communicated to staff before the industry?
We will endeavor to provide as much information as possible before we advise the industry. Due to the nature of these changes there will be a close time proximity between these communications.

What if repairers would like to clarify answers relating to this document or have further questions?
A repairer can contact us via email on CAFeedback@iag.com.au.