

29 June 2009

Management of Repairable Write-offs

The Insurance Council of Australia welcomed the open dialogue today at the National Workshop on the Management of Repairable Write-offs (RWOs) held in Sydney. The general insurance industry supports efforts by today's workshop, to improve the current system for the management of RWOs, and prevent profit-motivated vehicle theft.

The general insurance industry recognises that the safety of vehicles on our roads is the responsibility of government agencies. These agencies must ensure rigorous safety and compliance checking is undertaken during the re-registration process of RWOs and other unsafe vehicles.

It is crucial that a pragmatic approach to improving the current regime of RWOs is developed nationally. Such a regime must consider how a multi-layered approach including comprehensive law enforcement, repairer licensing as well as safety and compliance checking contributes to a reduction in the number of unsafe vehicles ending up on our roads. This approach already exists in several jurisdictions in Australia and needs to be adopted nationally.

The Insurance Council of Australia urges all stakeholders to pursue a national reform path involving:

- The reduction of written-off vehicle re-registration by enforcement of repairer licensing requirements so that only qualified repairers can lawfully reinstate a vehicle formally written-off.
- The reduction of safety impacts on the community by the introduction of a greater road safety inspection regime for vehicles being re-registered.
- Greater community access to government held vehicle data on the history and status of written-off vehicles, to ensure that potential issues associated with a vehicle can be determined at the time of purchase.

Improvement of the current system should not impact the salvage and sale of RWOs when used as spare parts or returned to a roadworthy condition by licensed repairers (before being re-registered), which offsets the cost of individual claims made by policyholders. Importantly, this contributes to lower claims costs for the consumer.

Media contact: Emma Casey 02 9253 5161 0439 994 043