



2021/2022

# IAG Quality Report

Partnering with industry to  
deliver exceptional quality,  
service and value.



## Luke Gallagher

### Executive General Manager Direct Claims

# IAG's purpose – we make your world a safer place – is underpinned by our belief that we can make tomorrow safer than it is today.

The nation slowly emerged from the height of the COVID-19 pandemic restrictions over the past year, only for communities to suffer some of the most devastating storms and floods on record.

Our support for our customers throughout this time has been guided by our purpose – we make your world a safer place.

We've provided our customers with emergency support to help them get back on their feet and through our dedication to providing the best possible claims experience. This includes ensuring all repairs meet our quality and safety standards.

For the 10th consecutive year, we've published the results of our quality inspections to underscore our dedication to these standards.

During the 2021-22 financial year we completed more than 57,500 motor and property quality inspections.

Where practical, on-site property inspections were supplemented with virtual inspections and desktop reviews to maintain a strong focus on repair quality outcomes.

A priority for IAG is being at the forefront of the latest technology and innovations that help deliver the best possible experience for our customers.

This year's Quality Report highlights our rollout of using an Indoor Environmental Professional (IEP) for property claims where there is storm or flood damage, to provide us with a hygiene assessment before repairs commence.

This allows us to monitor hygiene levels during the repairs and has almost doubled the first attempt pass rate for clearance certification to approximately 76%, helping customers to return safely to their homes as soon as possible.

The report also includes an overview of our collaboration with the Bushfire Building Council of Australia (BBCA) and other partners on the creation of the FORTIS House building design principles for best practice disaster resilience.

Originally created in response to the Black Summer bushfires, the FORTIS House design principles have been extended to extreme hazard upgrades for cyclones and floods.

We've also highlighted the key role Motorserve plays in our motor repair model.

Our Motorserve Assessment centres in New South Wales, the ACT, Queensland, and Victoria are designed on delivering an effortless customer experience in handling the motor repair process to get them back on the road as quickly as possible. Customers simply drive their vehicle to a Motorserve with easy access to mobility services that best suit their needs.

Always looking at innovative ways to make the repair process as easy as possible for our customers complements our dedication to our OEM Parts Policy. This provides our customers with confidence that if we authorise repairs, our Genuine Parts policy doesn't change, regardless of the age of the vehicle.

The challenges faced by people and businesses across the country, from economic pressures to recovering from severe weather events, will be with us for the year ahead.

Our customers can have confidence that our focus on quality, safety, continuous improvement and leading industry initiatives across the Motor and Property portfolios continues to grow, as does our dedication to making your world a safer place.

# Our Quality Plan



## Lifetime Guarantee

Providing peace of mind for our customers by guaranteeing the workmanship of the repairs we authorise.



## Quality Assurance Auditor (QAA) Roles

Complements existing audit processes and increases the number of inspections we complete annually.



## Repair Performance Consultant (RPC) Roles

Our RPCs work with repairers to improve quality and manage our quality data.



## Quality Inspections

Repair and inspection criteria, guidelines and repair quality data.



## Guidelines and Tools for Measuring and Managing Quality

Guidelines for repairers' performance management and a matrix for handling quality issues and making improvements to our repair management system.



## Repairer Premises and Equipment Audit

Audits conducted based on a standard checklist.



## Assessor Training

We have tailored smash repair training programs for our motor assessors nationally, which complements existing training and is backed by a highly trained assessing workforce.



## Parts Guidelines

Our parts guidelines simplify authorising repairs and make our expectations of repairers clearer.



## Regular Reporting of Quality Performance

We post our repair quality performance on our websites.



## IAG Research Centre

Access to IAG Research Centre motor vehicle technical support and information.

## How we deliver Quality Repairs

Our Motor and Property Quality Framework provides protection for our customers and gives them the peace of mind that is an integral part of a great repair experience.

Our investment in quality inspections, documented guidelines, tools, and training, enables us to deliver high quality repairs for our customers and caters for the latest technology.

IAG's high quality repair standards are underpinned by our Quality Plan which is regularly reviewed by our Insurance Supply Chain team.

Repair plans that identify the correct repair methods in accordance with documented manufacturers' technical specifications and repair guidelines (including those supplied by other industry agencies or authorities), ensure we provide our customers with a quality and safe repair.

# Motor Repairs



## Motor Repair Quality Snapshot

**IAG's Quality Repair Framework provides our customers with confidence in our vehicle repairs, which are backed by our lifetime guarantee.**

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The IAG Quality Repair Framework continues to deliver quality repairs with extensive monitoring and quality controls throughout the repair process.

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Over the past financial year, 300,000 repair assessments were completed by our qualified IAG Motor Assessors, with more than 54,000 IAG motor repair quality inspections conducted by IAG Assessors including inspections by IAG repair facilities.

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This valuable quality data is used by our Repairer Performance Consultants (RPCs) to work with repairers to constantly improve repair outcomes.

# Motor Quality Inspections FY22



**54,688**  
Number of  
quality inspections



**18.3%**  
Quality inspections as  
a % of authorised repairs



**126**  
Number of  
behavioural issues



**1,389**  
Number of quality  
issues logged



**97.2%**  
Average  
quality score



**39**  
Number of potential  
safety issues

## Our Quality Repair Criteria

- Parts
- Remove and Replace
- Repairs
- Panel Alignment
- Welding/Bonding
- Colour Match
- Blemishes
- Gloss Levels
- Texture/Finish
- Paint Blends
- Interior Colours
- Sealers/Adhesive/Foams
- Structural
- Mechanical
- Occupant Safety

## Quality Report Card Definitions

### Safety issue

Significant rework/rectification required due to poor repair potentially compromising the safety of the vehicle, therefore not meeting our quality and safety standards.

### Quality issue

Repair issue requiring slight or minimal rework through to poor repair potentially compromising the pre-accident condition of the vehicle.

### Behavioural issue

Issues relating to repairs not completed as authorised and customer service.

### Quality inspections

Detailed inspections performed by our Motor Assessors or Auditors of motor vehicle smash repairs.

# Motor Quality Initiatives



## Motorserve

Motorserve has been proudly helping Australians since 2007, by providing quality mechanical repairs and car servicing.

We also have Motorserve Assessment Centres located in NSW, ACT, Victoria, and Queensland where for drivable non-structural claims, the customer may be allocated to a Motorserve where they will handle the entire repair process and keep the customer informed from start to finish.

Our IAG Motorserve Assessment Centres are designed to make the repair process as simple and easy as possible for our customers in their time of need by getting them back on the road faster after a car accident.

All vehicles managed through the Motorserve experience follow a stringent quality process.

We aim for customers to experience the best service and efficient motor vehicle repair. We have mobility options such as offering hire cars on site, and many adjacent services which can be completed while the vehicle is still at Motorserve, prior to collection or at a convenient collection time that suits customers.

Our vision is to continue enhancing our digital and customer experience, providing the ultimate platform that supports our customers' needs.

# Motor Quality Initiatives



## OEM Parts Policy

There are many parts that are available within the repair industry that attempt to remanufacture Genuine Parts, however, currently the quality and fitment of some of these parts cannot be guaranteed. IAG's commitment to Genuine Parts is the difference when you take out a motor insurance policy with our brands. Regardless of who you are insured with – if we authorise repairs on your vehicle, our Genuine Parts policy does not change.

IAG's Genuine Parts policy has been at the heart of our motor vehicle insurance policies for many years, and we pride ourselves on supporting the use of Genuine Parts in the repairs to our customers' motor vehicles. We will only fit Genuine safety related components.

IAG provides a lifetime guarantee for repairs we authorise underpinned by our Quality Framework. We also pride ourselves on working with manufacturers and their repair guidelines.

The purpose of our Parts Fitment Guidelines is to create consistency for our repairers and our Motor Assessors, which it does by simplifying the authorising of repairs and makes IAG's expectations of our repairers clearer.

# Property Repairs



## Property Repair Quality Snapshot

# IAG's Claims Supplier Performance Management Framework drives the delivery of quality property remediation after a claim, supported by our lifetime guarantee on repairs.

IAG audits and measures the quality of assessment and repairs completed by its property partner repairers and suppliers. These reviews include the scope, method, quality and cost of repair works completed and report on the findings and actions as a result of audits.

Property Quality inspections in FY22 were heavily impacted by COVID-19 lockdown provisions that prevented many on-site Quality inspections. Where practical, on-site inspections were supplemented with virtual inspections and desktop reviews to maintain a strong focus on repair quality outcomes.

IAG's approach to repair quality is a crucial element of our over-arching Claims Supplier Performance Management Framework. This framework ensures that IAG's Claims Suppliers are actively measured and managed to agreed KPIs, including repair quality, to drive improvement in service delivery and customer experience.



# Property Quality Inspections FY22



**2,867**  
Number of  
quality inspections



**9.61%**  
Quality inspections as  
a % of authorised repairs



**36**  
Number of potential  
safety issues



**127**  
Number of quality  
issues logged

## Quality Report Card Definitions

### Quality Inspections

Detailed inspections performed by our Home Assessors or Auditors of building repairs.

### Quality Issue

Repair issue requiring slight or minimal rework through poor repairs, compromising the condition of the work.

### Safety issue

Any situation at the property posing a human safety risk, that is found to be unresolved.

### Partner Repairer

A repairer/supplier who has been appointed as a preferred repairer by IAG.

# FORTIS House Design Principles



## FORTIS House Design Principles

In collaboration with the Bushfire Building Council of Australia (BBCA) and other partners, NRMA Insurance supported the creation of the FORTIS House building design principles for best-practice disaster resilience.

Originally created in response to the 2019/20 Black Summer bushfires, the FORTIS design principles extend to extreme hazard upgrade guidance for:

- Bushfire
- Cyclone
- Flood

The FORTIS design principles include:

- Self-defending - passive systems
- Best-practice – beyond minimum standards
- Holistic – home, outbuildings, landscaping, services, maintenance
- Accessible – utilises existing readily available products in a new way
- Multi-hazard benefits as standard – best-practice upgrades available for extreme risk areas

The development and distribution of the FORTIS design principles encourages our customers and the community to engage with resilient home design, reducing the risk to life and property in extreme hazard events.

For more information visit: <https://www.iag.com.au/newsroom/community/nrma-insurance-supports-launch-new-disaster-resilient-house-designs-and-handbooks>

# FORTIS House Design Principles

## Multi-Hazard Modifications - Flood

1

### Materials

Use water-resistant materials throughout the home where affected by floodwater including your floors, walls, insulation, doors, mouldings, cabinetry and benchtops. Avoid using materials that will soak up water and be damaged easily by floodwater inundation, such as carpet, plasterboard, softwood mouldings, batt insulation, hollowcore doors and particleboard.



2

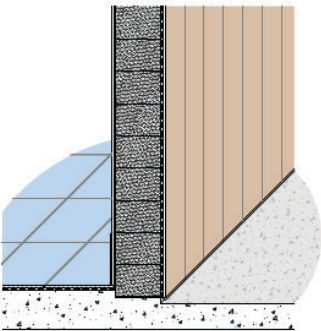
### Wall construction systems

Use non-cavity, AAC wall construction systems internally and externally throughout your home. Make sure to apply a waterproof membrane to both sides of the AAC walls before installing internal and external wall linings.

3

### Floor construction systems

Install a concrete slab on ground or a suspended concrete slab system such as Bondek. Finish the floor by either polishing back the concrete, or adding a tile or vinyl floor finish on top of the concrete with an appropriate water-resistant adhesive.



## Modifications for Flood Resilience

Many properties in bushfire locations also face the threat of flooding. By implementing the following modifications, your home can also be flood AND bushfire resilient.

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### Cabinetry

Consider using water-resistant cabinetry materials instead of the standard MDF or particleboard for all elements of your cabinetry that may be affected by flooding. Where feasible, consider having the cabinetry wall-mounted to allow for easy cleaning after a flood event or consider making the cabinetry removable.

5

### Insulation

Use only non-combustible, closed cell water-resistant insulation, where insulation is required.

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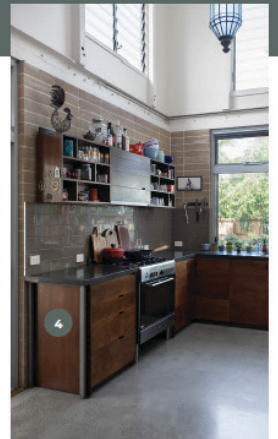
### Electrical services

Ensure the power points, data points and all other electrical services are installed above the flood level to minimise the chance of power outages and faults.

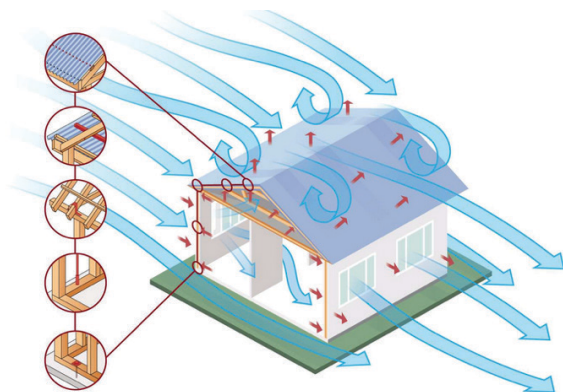
7

### Doors

Install solid core doors, hardwood jambs and architraves throughout the inside of your home. Avoid using cavity sliding doors to minimise the chance of flood water ingress into the wall cavities. Where possible, have the external door sills flush with the floor to allow for easy cleaning after a flood event.



## Cyclone resilience – tie-downs



What gives a house its strength? - the tie-down chain

Importantly, designing to C classification in AS4055 means that you have to design for full internal pressure from a sudden dominant opening.

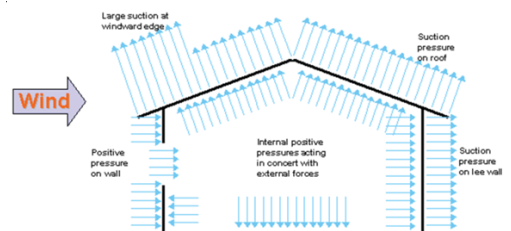


Figure 2.16: Design wind forces with a dominant opening in windward wall

# Property Quality Initiatives



## Indoor Environmental Professional (IEP)

In past flood and stormwater events, our builders have engaged specialist hygienist services to assess the remediation of homes and provide a clearance on completion.

Historically, attending hygienists were reliant on their post-remediation inspection, which reduced the effective 'pass rate' for achieving the required clearance certification.

For example, in the 2019 Townsville flood response, the clearance certificate pass rate was approximately 40% on the first attempt.

With the SE QLD and NE NSW Flood events in February 2022, IAG introduced the approach to engage an Indoor Environmental Professional (IEP) to provide us with an assessment at the start of the remediation process.

The up-front IEP assessment provides the necessary direction to allow our repair partners to more effectively undertake the work required to achieve clearance certification and allow our customers to return to their homes.

Along with virtual assessment processes, the IEP remains available throughout the remediation process to assist our repair partners with any queries.

Our new approach has almost doubled the first attempt pass rate for clearance certification (~76%), improving the quality and timeliness of repairs for IAG customers impacted by storms and flood.

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**We make your world a safer place**