



PRESS RELEASES

MyCC's Final Decision against PIAM and its 22 Members

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This statement is in response to the final decision dated 14 September 2020 published by the Malaysia Competition Commission (MyCC) and addressed to Persatuan Insurans Am Malaysia (PIAM) and its 22 members.

In its decision, MyCC concluded that PIAM and its 22 members have infringed Section 4 of the Competition Act 2010 in that the parties had entered into an agreement on the application of trade discounts on parts prices and hourly labour rates for motor vehicle repairs by workshops under the PIAM Approved Repairers Scheme (PARS). Besides imposing financial penalties, MyCC also directed the parties to cease and desist from implementing the agreed parts trade discount and the hourly labour rate, and for such discounts and rates to be determined independently by individual insurers and workshops.

Bank Negara Malaysia (BNM) regrets MyCC's decision as the arrangement was put in place through the facilitation and direction of BNM to the general insurers to address disputes between workshops and general insurance companies that had adversely impacted consumers. This was due to protracted delays and disagreements over insurance claims payments for motor repairs. The resulting arrangement was implemented after discussions between PIAM and the Federation of Automobile Workshops Owners Association of Malaysia (FAWOAM). As a result of BNM's regulatory intervention, delays in settlement of claims arising from motor repairs had reduced significantly and policyholders were better served by a more efficient claims settlement process. For example, the average turnaround time from date of notification of an accident to the completion of repair works had reduced by 55% since 2010.

The decision by MyCC may unravel the positive outcomes from past and ongoing initiatives by BNM and the industry to curb fraud and improve efficiency in the motor claims process. This in turn will have wider ramifications for access to and the cost of motor insurance for Malaysian consumers.

In light of the decision by MyCC, BNM will follow due process and review its options to safeguard the interests of the motoring public. If any policyholders experience undue delays in the repair and release of your vehicles, please contact your respective insurers for advice. For general enquiries and complaints, policyholders can also contact BNMTELELINK at 1-300-88-5465 or bnmtelelink@bnm.gov.my.

Bank Negara Malaysia
30 Sep 2020

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