



Independent Dispute Resolution Procedures ("IDRP")

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Section 1 DEFINITIONS & REFERENCES

1.1 Definitions

The definitions and abbreviations within this document are spelt out as follows:

Term	Abbreviation	Definition
Berjaya Sampo Insurance Berhad	BSIB	A licensed entity registered under the Suruhanjaya Syarikat Malaysia bearing Registration No. 198001008821 (62605-U).
Bank Negara Malaysia	BNM	The Central Bank of Malaysia
Independent Dispute Resolution Procedures	IDRP	IDRP established by BSIB
Independent Dispute Resolution Committee	IDRC	Committee set up by BSIB to handle dispute between BSIB and Repairers
DRS Panel Workshops	DRS	Direct Repair Service Workshops appointed by BSIB
Panel Adjusters	PA	Panel Adjusters appointed by BSIB
Repairer	Rp	Any person lawfully engaged in the business of effecting Repairs to Motor Vehicle in Malaysia
Motor Vehicle	MV	Motor vehicle insured under a Policy, which BSIB requests the Repairer to repair

1.2 Source of Reference(s)

- BSIB's Claims Manual
- BSIB's Service Level Agreements with the respective Panel Workshops
- BNM's Claims Settlement Guidelines/Practices

Section 2 PREAMBLE

2.1 Background

The specification letter issued by Bank Negara Malaysia ("the Bank") on 30 Jun 2022 in respect of the Phased Liberalisation of Motor and Fire Tariffs sets out the Bank's expectations and requirements on reforms to the motor claims ecosystem that licensed general insurers are required to meet in order to qualify for further pricing flexibilities.

One of the requirements under motor claims reform is to support the industry efforts to implement effective framework to address ongoing disputes between licensed insurers and Repairers to avoid protracted delays in the motor claims process that result in poor customer outcomes.

2.2 Purpose & Objectives

The IDRП is intended to provide guidelines and clarity in resolving disputes between Repairers and BSIB, detailing the requirements for setting up an Independent Dispute Resolution Committee (“IDRC”) and its procedures to promote transparency, accountability, effective and co-operative relationship between BSIB and the Repairers for the benefits of the policyholders.

2.3 Scopes

The IDRП herein governs the process, procedures and practices of managing the disputes between the Repairers and BSIB.

Type of disputes handled by BSIB:

- Disputes relating to the appropriate repair method where the safety, structural integrity, presentation or utility of the Motor Vehicle is believed to have compromised by the proposed repair method
- Disputes arising from Code of Conduct as stipulated in the Service Level Agreement
- Disputes over contractual arrangement

BSIB will **not** consider the following disputes:

- on parts prices where the parts prices are provided by Motordata Research Consortium (“MRC”)
- on policy liability
- relating to or has an element of fraud
- where a solicitor has been appointed to act on the matter
- where the dispute amount is less than RM1,000
- filed/referred to OFS/ BNM/ PIAM / Court
- filed after acceptance of offer by the Repairer
- A dispute that is time barred under the Limitation Act 1953 or Limitation Ordinance (Sabah) (Cap.72) or Limitation Ordinance (Sarawak) (Cap. 49)

Section 3 INDEPENDENT DISPUTE RESOLUTION COMMITTEE (“IDRC”)

3.1 Purpose

IDRC is set up to handle the disputes filed by Repairers who provide accident repair and insurance claims service to BSIB’s policyholders / claimants.

3.2 IDRC Member Composition

The committee comprises the following four (4) members (internal and external):

- Chief Commercial Officer (Chairman)
- Head of Consumer Underwriting
- Representative from appointed panel adjuster*
- Representative from appointed DRS workshop*

*The appointed panel adjuster and DRS workshops' participations are on rotation basis following the list of DRS workshops and panel adjusters approved by the IDR Committee. In the event of a dispute involving the appointed adjuster or DRS workshop, the Chairman will nominate the next party in the approved list of DRS workshops and panel adjusters to join the Committee meeting to avoid conflict of interest.

In the event the Chairman is not available, Head of Retail will be appointed by the Chairman to chair the meeting.

Likewise, Head of Retail can nominate his/her deputy (managerial level or above) to attend the meeting if he/she is not available.

3.3 Invitee(s)

The Committee may from time to time, invite Head of Claims, In-house adjuster to present the dispute/case and/or any other staff to attend the meeting to provide their views, where appropriate. Invitee has no voting right or decision-making authority.

Section 4 IDRC'S REPORTING STRUCTURE

The IDRC reports to EXCO.

Section 5 ROLES AND RESPONSIBILITIES

The **Executive Committee ("EXCO")** is responsible for overseeing the implementation of Dispute Resolution policy and ensuring that BSIB's policyholders' interests are protected.

The **IDRC** is responsible for managing and resolving the dispute between BSIB and the Repairers based on the guidelines set to achieve win-win situations for all parties.

The following duties, responsibilities, and functions of IDRC are guides in fulfilling the Committee's purposes.

- Upon receiving the justification or information from the business unit, the Committee shall deliberate on the merits and decide on the quantum of dispute upon receipt of the dispute notification by Repairer via IDR's email with the following information:

A. Details of Dispute	
1.	Date of claim reported to BSIB
2.	Names and contact details of the BSIB and the Repairer
3.	Claims reference number lodged with BSIB
4.	Amount of claims (in RM)
5.	Nature of the dispute
6.	Date of incident
7.	Time of incident
8.	Place of incident
9.	Vehicle registration number
10.	Repairer's justification on their expected outcome of the appeal
11.	Supporting documents of the dispute
B. Affairs or Account of Policyowner/Takaful Participant Involved	
1.	Name of policyowner/ takaful participant involved

2.	Types / details of policy/takaful certificate involved (Please provide the copy of relevant document)
3.	Details of claim and complaint

- Case fee should not be charged to Repairer.
- For resolving a dispute, IDRC may obtain expert advice from legal, industry associations, car manufacturer, forensic consultant or other experts as the committee deems fit. If the IDRP Committee determines that an external consultant is required for the assessment/evaluation, the associated fee shall be shared equally (Repairer and BSIB).
- The appointment of professional, shall require prior consent from the Repairer before engagement.
- If the Repairer decides against engaging an external consultant, the Committee will make its decision based on the information available.
- If the matter is within scope, acknowledgement will be sent to the Repairer within one (1) working day.
- Where a Dispute is outside the scope of IDR, the committee shall advise the Repairer accordingly and provide the reasons for such decision or exclusion.
- IDRC can request for any data, documents and information relevant to the dispute from the Repairer, if necessary.
- IDRC shall complete the review and conclude decision within 10 working days upon receipt of the written dispute.
- No person of the IDRC including the Chairman who has access to any data, document and information relating to a dispute, shall disclose such data, document and information to any person individually except:
 - (i) with the consent of the IDRC or parties to the disputes, or
 - (ii) if required or permitted to do so under the regulatory requirements or any other written law or by any court.
- Other duties and responsibilities which are deemed relevant and crucial, where appropriate and necessary.
- If the Repairer is dissatisfied with the outcome and decision of dispute, the Repairer must notify the Secretariat for record-keeping and monitoring purposes. The notification must contain, at minimum, the information as stated below:

A. Details of Dissatisfaction	
1	Nature of the dispute
2	Decision of dispute
3	Date of receipt of dispute decision
4	Reason for Repairer's dissatisfaction on the outcome of the internal dispute resolution, where relevant
5	Please provide a copy of dispute details as stated at Section 5 – details of dispute, including the relevant supporting documents provided

Section 6 DISPUTE RESOLUTION PROCESS

- In receipt of full and complete data, document and information, IDRC may facilitate the resolution of dispute through negotiation or mediation, as the case may be, with a view to reach an amicable settlement within ten (10) working days.
- IDRC shall conduct interviews, if deemed necessary, either via telephone or physical meeting. The committee may meet with the Repairer and Claims Manager-In-Charge jointly or separately.
- IDRC will make an assessment and issue a recommendation.
- The Repairer is given five (5) working days from the date of the recommendation to revert with their reply, failing which they are deemed not interested to pursue further.
- The Repairer is not bound by the IDRC's decision. The Repairer has option to pursue their rights through any other means, including referring the dispute to IDRF managed by industry, or a legal process or arbitration.
- The Repairer may withdraw the dispute at any time prior to the IDRC issuing the decision by giving a written notice to the IDRC of his intention to withdraw the dispute.

The Dispute Resolution Process flow chart is detailed in **Appendix 1**.

Section 7 IDRC'S AUTHORITY

7.1 Authorised matters to be approved

The quantum of payment decided in the meeting is up to policy sum insured or the approving limit of the Chairperson in his/her current role in BSIB whichever is lower.

Section 8 MEETING, QUORUM AND DECISION MAKING OF IDRC

8.1 Frequency & Medium of Meetings

The committee shall meet as necessary to discuss the dispute cases. Alternatively, the papers may be circulated to the committee physically or by way of electronic means as circumstances require, for them to make their decisions.

8.2 Quorum

The quorum for any meeting shall be at least three (3) members comprising the Chairman, Head of Retail and Appointed Adjuster/DRS Workshop personnel.

8.3 Decisions Making of The Committee

Decisions made by the committee are by consensus. However, if a case does not receive the unanimous decision of the committee, the final decision shall be made by the Chairman on his or her fair judgement. The decision-making process is recorded and documented properly.

8.4 Matters to Be Reported & Discussed at The Meeting

The respective Committee members shall deliberate the business case at the meeting with the primary objectives of

- (1) ensuring vehicle repairs are authorized and carried out in a professional manner and the safety, structural integrity and utility of the vehicle are restored, and
- (2) promoting transparent, informed, effective and co-operative relationships between BSIB and Repairers based on mutual respect and open discussion to derive a win-win situation for all parties and protect policyholder's interests.

8.5 Secretariat

Senior Manager of Vendor Management is the appointed Secretary of the Committee. The Secretary shall:

- administrate matters in relation to the proceedings of the Dispute Resolution meetings or circulations of those related cases three (3) days before the meeting except for urgent ad-hoc cases.
- present the justification of the case and prepare the minutes of the meeting.

8.6 Minutes of Meetings & Report Keeping

8.6.1 Preparation of Minutes of Meetings

The minutes shall be prepared by the Senior Manager of Vendor Management within ten (10) days from the date of the meeting or any period as directed by the Chairperson.

8.6.2 Reports Keeping and Length of Storage

All minutes/correspondence must be retained and kept for seven (7) years by the Claims Department.

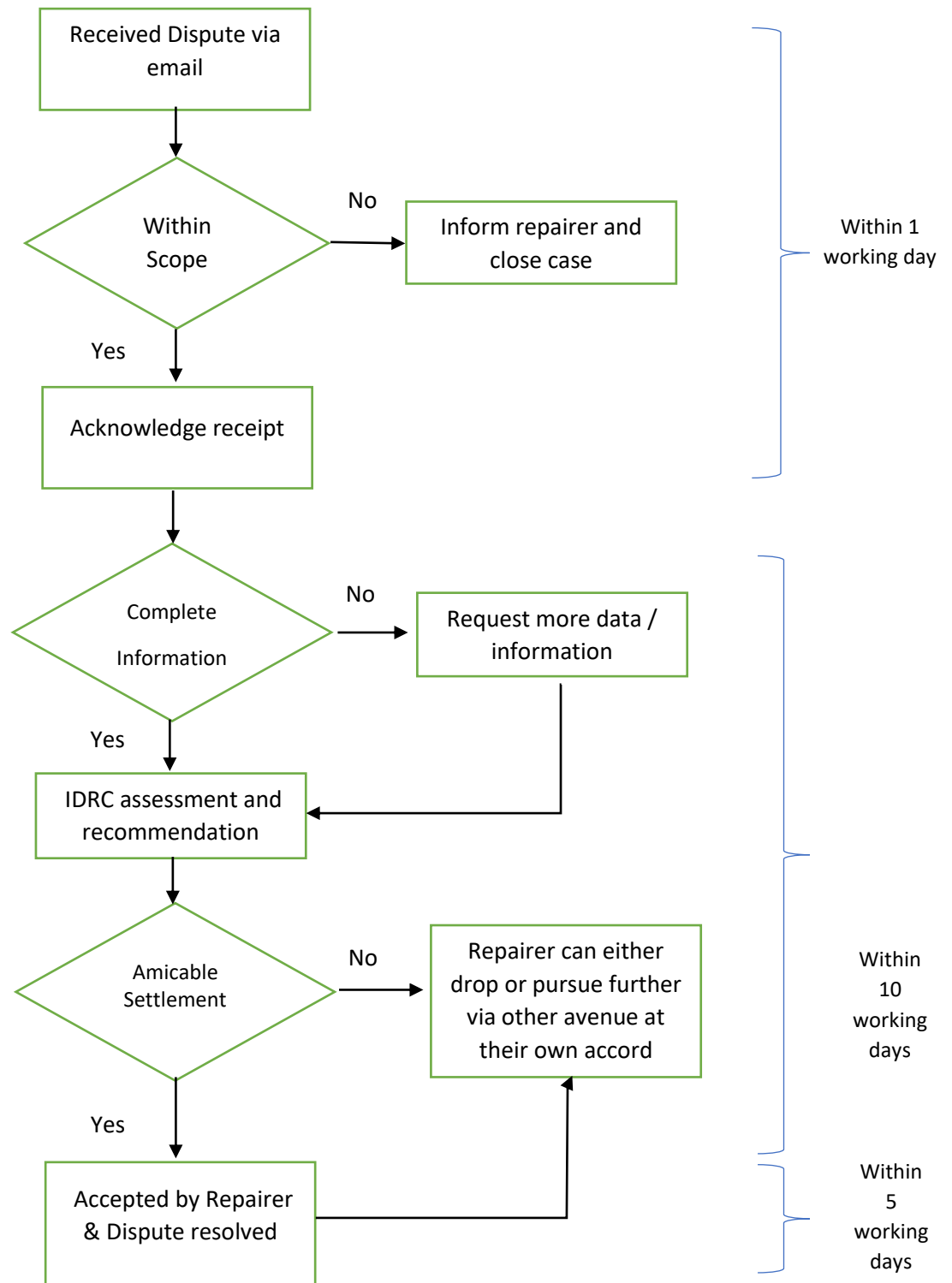
Internal Audit's authorized personnel may from time to time access the minutes or its related materials for audit purposes.

Section 9 REVISION AND ABOLISHMENT OF PROCEDURES

Claims Department shall facilitate the revision on the suitability of this Procedures at a minimum interval of three (3) years.

Revisions (other than changes which are operational in nature) and abolishment of these Procedures shall be adopted by a resolution of the EXCO of BSIB.

Appendix 1 - Dispute Resolution Process Flow Chart



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