



BUSINESS

PIAM to appeal against MyCC decision



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KUALA LUMPUR, Sept 30 -- General Insurance Association of Malaysia (PIAM) plans to appeal against the Malaysia Competition Commission's (MyCC) decision to penalise the association and its 22 members for infringing the Competition Act 2010.

In a statement today, PIAM expressed its profound disappointment over MyCC's decision on Sept 14 in relation to an arrangement between PIAM and the Federation of Automobile Workshop Owners' Association of Malaysia (FAWOAM) on the minimum hourly labour rates and spare part prices for six commonly used vehicle models, namely Proton, Perodua, Naza, Nissan, Toyota and Honda.

"After three years, PIAM is deeply disappointed that MyCC has released a decision that does not fully take into consideration the voluminous evidence tendered and legal arguments submitted.

“MyCC’s decision rejects legal and regulatory certainty and is a decision against consumers and the motoring public of Malaysia. PIAM will lodge a strong appeal against the decision,” it said.

It said under the direction of Bank Negara Malaysia (BNM) to safeguard the interests of consumers, PIAM had agreed with FAWOAM to resolve the prolonged dispute between insurers and repairers over spare parts trade discounts and labour rates.

"BNM’s directive was in the interest of the motoring public and addressed consumers’ complaints on the motor repair process.

"It also supports ongoing reforms in the motor insurance industry to promote greater competition, innovation and affordability in the long term," the association said.

Besides that, PIAM said it had tendered clear and robust evidence to MyCC that the arrangement with FAWOAM benefited consumers in terms of faster turnaround time for repairs, less complaints and growth in the numbers of repairers, thus enhancing the availability of repairers for accident repairs.

It added that an independent economist’s report by RBB Economics United Kingdom, which showed clear and robust tangible evidence of how consumers benefitted from this agreement, was also presented before MyCC on two occasions.

In a bourse filing yesterday, Tune Protect Group Bhd said its insurance subsidiary, Tune Insurance Malaysia Bhd, along with 21 other general insurance companies which are members of PIAM, had been penalised for a consolidated amount of RM130.24 million by the commission.

--BERNAMA

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