

Third party response to provisional findings

I wanted to drop you an email with some comment as we are aware of the proposed acquisition of Hills Motors by Copart

For the sake of clarity I wish to outline our views in relations to the general salvage agent market and specifically the services of Copart and Hills Motors.

Due to the current market conditions in relation to the availability of new parts we have engaged with Copart to explore and provide [X] with an alternative solution via which we are able to source of vehicle parts which will assist us greatly in these challenging times.

This “green parts” option is one that we foresee as being a key part of our vehicle repair proposition. This is a viable solution that will assist [X] and our policyholders with regard to curtailing the overall length of time their vehicles are out of commission and not able to fulfil the needs of their contracts which in our commercial space is as you will appreciate extremely important.

Based on the information that we have available to ourselves we would not consider Hills Motors to be a viable option to undertake the work we require in terms of managing the vehicle salvage of our commercial book of business. We already have service providers that fulfil this function and Hills would unlikely to be considered if our business tendered for additional support in this area in its current form.

The bespoke book of business handled by [X] is geared towards the commercial sector of the market and is not focused on the main stream small private vehicle market, we are niche and specialised as you will be aware.

We require salvage agents that have the capabilities to manage and dispose of commercial vehicles in an effective and efficient manner. Our view is that Hills Motors would not have the facilities and experience to undertake recovery and disposal of such large heavy goods vehicles that are the bulk of our business.

At the current time we have two salvage agents that service our bespoke needs and we are fully aware that should we require additional capacity as our business grows that there are multiple service suppliers within the sector that would be able to service our needs. Whilst we are aware Hills currently has an association with Ageas Insurance, this is in relation to the small private car market and is not a market that overlaps with our particular sector and indeed we believe this further supports our stance that Hills are involved in an entirely different area of salvage disposal and would not be suitable for our specific needs.

Any acquisition of Hills would in my opinion be of benefit to the market as a whole and would provide greater scope of availability within the sector and benefit customers like our own due to the expanded area that Copart would be able to service.

Should we wish to add further salvage agents to our current panel we are confident there are sufficient alternative agents within the market to allow us to actively engage in a tender process that is sufficiently robust to ensure a further suitable salvage agent could be appointed to fulfil our needs.

We are aware that others within this area have acquired complementary businesses that bolster their offering to the insurance sector, in particular the acquisition of Synetiq by IAA. Incidentally IAA are also part of our panel of salvage suppliers and have been for a number of years.

From our perspective the proposition of Copart and Hills combining would greatly improve the options available to your customers and enhance the services, efficiency and value for money of each policyholder that is unfortunate enough to suffer the total loss of their vehicle.

24 May 2023