

Out-of-Court dispute resolution mechanisms in the insurance sector

In order to avoid taking claims of the insured to the courts and to reduce as much as possible the litigiousness in the processing of claims, the insurance industry has always been open and, consequently, it has promoted the use of mechanisms or of institutions that may lead to their resolution out-of-court in order to resolve disputes or disagreements that may arise between the insured and insurance companies, but protecting the rights and interests of the insured. This article analyses the different out-of-court mechanisms for the resolution of the aforesaid disputes, with special reference to administrative protection and alternative dispute resolution in the European Union.

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I. Causes of dispute and types of claims in the insurance field

In the insurance industry any out-of-court dispute resolution is important, in order to avoid the typical judicialisation in this sector. It is said that the insurance market tends to have high levels of dispute, which is true. It may be influenced by the millions of claims processed every year and, why not, the current crisis in our country.

As for the problems raised in the insurance practice, we must highlight the poor information given by insurance companies at the preliminary stage when the insurance contract is under negotiation and the documentation is delivered to the policyholder, for the latter to have an accurate knowledge of the scope and content of the contract made, as well as the necessary transparency in the actions of the companies in relation to the insured, damaged parties and beneficiaries, especially in relation to the justification of the amounts offered as compensation.

Most of the claims are related to the breach of duty to provide pre-contract information and the amount offered by insurance entities.

This, in general terms, claims in the insurance industry may be summarized as (1) :

- Contracting without consent.
- Rise in premiums in the renewals of the contracts without



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- Delays of the insurance company in remedying any damage.
- Dispute between insurance companies that cover roadside assistance and the companies that provide these services.
- Appointment of beneficiaries in life assurance.
- Disagreement between two insurance companies to establish which of them has to cover the loss.
- No cover of costs to reduce the consequences of a loss event.
- Clauses which are detrimental to the insured.
- No payment of costs for the location of loss events.
- Problems in the interpretation of the policy.
- Lack of clarity and precision in the wording of the contracts.
- Obligation imposed to policyholders by companies to buy other products jointly with the insurance policy.
- Inaccurate declaration about a person's health condition in life insurance.
- Imposition of a single premium when life assurance is negotiated linked to a mortgage loan.
- Rejection of payment of full permanent disability owing to a pre-existing illness.
- Interpretation of the contract to state that the claim has been submitted within the period of insurance coverage.
- Inappropriate processing of the claim derived from a road accident in which the insured is damaged.

As it can be seen, there are many cases that lead to disagreements between insurance companies and the insured, beneficiaries or damaged parties and we cannot explain every case in detail in this article. Just as significant example, we will mention the premium rise unilaterally proposed by insurance companies in the renewal of insurance contracts.

With regard to the aforesaid rise in premiums, the Directorate General of Insurance and Pension Funds (DGSFP) has highlighted that the premium is an essential element of the contract. Therefore, any modification of the premium entails a contractual modification pursuant to article 1203.1 of the Civil Code, which validity requires the agreement in the intention of both parties to the contract, pursuant to article 1262 of the Civil Code.

In this respect, the DGSFP has replied to an enquiry by saying that the modification of the price of the insurance policy, as it is an essential element of the contract, shall take place from the moment both parties agree for the modification to take place. The formalization of the modification in writing, either in the policy itself or in a supplementary document, has an evidentiary function of such an agreement.

In this manner, when the modification is not contemplated in the policy, the supervisory body clarifies:

"in such a case it must be accepted by the insurance policyholder pursuant to the provisions in article 5 of the Insurance Contract Act (initials in Spanish, LCS). If the rise in the premium is for the new cover period, the insurance company must notify the insurance policyholder of the increase two months before the end of the contract (time limit contemplated under article 22 LCS for the extension of the contract). If the insured party does not agree to the premium increase, the company may decide not to extend the contract for the following cover period.

If the time limit of two months is not respected, the premium increase may not be applied without the consent of the policyholder and, thus, the company must apply the premium of the previous period.

Until expiration of the current period, the company may not terminate the contract if the premium increase not contemplated in the contract is rejected by the policyholder" (2).

II. Methods of out-of-court dispute resolution in the insurance field

The insurance industry, maybe owing to the high level of case load which it is subject to, is one of the sectors most used to out-of-court negotiation of matters and, therefore, for many years, it has been using a series of mechanisms to resolve disagreements, among which we can mention industry agreements, which we will refer to later on. However, owing to the high number of claims occurring every year (3), irrespective of the many out-of-court settlements reached, there are still many unresolved matters, which means that they have to resort to the courts of justice for resolution (4)

For this reason other out-of-court mechanisms for dispute

resolution have been sought for many years. Among these mechanisms, no doubt, mediation shall play a transcendental role in the coming years.

Some of these mechanisms have been used for some time by the insurance industry, giving rise to a considerable increase in the resolution of claims. These mechanisms are:

1. Reasoned offer of compensation and reasoned reply

The system of reasoned offer of compensation and reasoned reply was firstly implemented by Directive 2000/26/EEC, of 16 May (Fourth Directive) only for the cases contemplated therein (visiting victims), subsequently including all victims of road accidents, through the Fifth Motor Insurance Directive (Directive 2005/14/EC, of 11 May, amending Council Directives 72/166/EEC, 84/5/EEC, 88/357/EEC and 90/232/EEC and Directive 2000/26/EC of the European Parliament and of the Council relating to civil liability insurance in respect of the use of motor vehicles). In both cases, the aim is to protect victims in road accidents, by implementing mechanisms for insurance companies and the *Consortio de Compensación de Seguros* (CCS) to quickly assist injured parties, showing at all times diligent behaviour in relation to the quantification of damages and settlement of the compensation.

The aim of this procedure is to promote and increase out-of-court settlements between insurance companies and the victims of road accidents. Therefore, we consider that the system was planned for the out-of-court phase of the processing of the claim, notwithstanding the fact that it may sometimes be planned for the judicial channel. In the latter case, insurance companies are required to act diligently also when they become aware of an accident through the courts, to address the injured party and make a reasoned offer or, if appropriate, provide a reasoned reply.

In general terms, we must highlight that with the procedure of reasoned offer of compensation and reasoned reply, the assistance provided by insurance companies and CCS to victims of road accidents has considerably improved. Insurance companies and CCS had to adapt the appropriate mechanisms to comply with the regulations transposed from the Community mandate.

2. Out-of-court expert proceedings of Article 38 Insurance Contract Act

Article 38 of Law 50/1980, of 8 October, on Insurance Contracts, regulates out-of-court expert proceedings, applicable to the parties if there are disagreements between the insured and the insurer, as to the causes of the accident, the value of the damage and other circumstances that affect the determination of the compensation, depending on the nature of the insurance policy involved and the proposed net amount of compensation.

The proceeding is very efficient in the resolution of disputes between insurance companies and policyholders, and it has been a frequently used mechanism for the resolution of disputes regarding the value of the damage.

In any case, we believe that the work of the experts is restricted to ascertaining and determining the factual circumstances of the accident, i.e. related to points of fact, leaving aside from their intervention the legal assessment of the facts and the legal disputes that may have arisen (5).

If the parties do not agree on the amount and the method of compensation, the proceedings consist of each party appointing an expert, who must accept said appointment in writing. If one of the parties has not made the appointment, this one must make it within eight days after being required to do so by the party that has indeed appointed the expert. Should the party fail to appoint an expert within this time limit, this will be understood as acceptance of the opinion issued by the expert of the other party and shall be bound to comply therewith.

If both experts reach an agreement, this will be shown in a joint record. If there is no agreement between the experts, both parties will have to appoint a third expert. In the event that the parties cannot agree on the appointment of the third expert, then the appointment will be made by the Court of First Instance by means of a voluntary jurisdiction procedure. A decision being issued by the three participating experts, either unanimous or by majority, will be notified to the parties and will be binding for all of them, unless it is challenged by any of the parties in court.

3. Insurance sector agreements

In the relations between insurance companies there are currently several sector mechanisms to resolve disputes out-of-court by signing agreements between companies.

Most of the out-of-court solutions occur in car insurance. Direct Compensation Agreements are the most widely known, allowing for millions of claims being resolved through this channel per year. In this respect, we can mention the CICOS (computer center for claim compensation) and SDM (property damage claims) systems or Mixed Units Agreements in the field of personal injury and Health Assistance, and Emergency Agreements signed by UNESPA (The Spanish Association of Insurance and Reinsurance Institutions), the *Consorcio de Compensación de Seguros* and health services, federations of hospitals and emergency services (6).

Under these agreements, the companies cover in the car insurance branch the repair of the vehicles of their customers. The compensations between them are resolved by applying the criteria set forth in the agreements. In this manner, the mechanisms to solve claims are regulated by applying liability criteria, degree of relationship between the parties that process the claims, the technical office and finally the Surveillance and Arbitration Commissions of the Agreement that try to include improvements to avoid taking claims to the courts.

In the car insurance branch, also, we must highlight that the system used for valuation of personal injury in road accidents (scale) as well as the mechanism of reasoned offer of compensation and reasoned reply, mentioned hereinabove, are useful mechanisms in this insurance branch. And here it is important to emphasize that 95% of the claims for personal injury are amicably resolved, without having to resort to judicial assistance. However, despite the high degree of out-of-court resolutions in personal injury, there is still a significant number of claims that are not resolved using this mechanism.

On the other hand, in some branches the disputes between the companies for the coverage of risks are negotiated and agreements are reached by a convergence of views. In this line, companies have recently implemented technological platforms such as SGR (recovery management system) or SDP (bodily injury system) in order to increase the level of agreements between companies through automated claim damage platforms which, in the future, may lead to new agreements being reached by the companies.

4. Customer Services

Pursuant to article 63 of the Law on the organization and supervision of private insurance (7), insurance companies must resolve complaints and claims from their customers through a customer service. The protection of financial services customers originated from the provisions in Law 44/2002, of 22 November,

on measures to reform the financial system, when it states in article 29 that insurance companies must rely on a customer service to assist and resolve the complaints and claims of the policyholders. They could also appoint a Customer Ombudsman, if they so wish, which must be a renowned independent institution or expert.

The regulatory implementation of customer services is contained in Order ECO/734/2004, of 11 March, on customer services and customer ombudsman of financial institutions.

This Ministerial Order regulates the requirements and procedures imposed on customer services and, if appropriate, customer ombudsman, the organizational structure, operation rules, duty of information, procedure for filing, processing and resolving complaints and claims raised by policyholders.

Within the first quarter of each year, customer services and, if appropriate, customer ombudsmen, must draft a report to explain the implementation of their function in the previous year. This report must be submitted to the board of directors or a similar body of the insurance company. In any case, a summary of the report will be included in the annual report of the companies.

That report must include a statistical summary of the complaints and claims received, a summary of the resolutions, indicating if the resolution was favorable or not for the person making the claim, the general criteria contained in the resolutions and the recommendations or suggestions derived from the experience with a view to better attaining the aims of the customer service.

5. The Claims Service of the Directorate General of Insurance and Pension Funds

Among the functions of the Directorate General of Insurance and Pension Funds (DGSFP) we must highlight the function of administrative protection for insured people, beneficiaries, affected third parties and members of pension schemes, through receipt and resolution of claims and complaints raised against insurance companies (Royal Decree 672/2014, of 1 August, which modifies the basic organizational structure of ministerial departments).

Then, customer services and customer ombudsmen involve a mechanism of protection for insured as well as an out-of-court resolution system of disputes that may arise between an insurer and an insured. Irrespective of this fact, article 30 of Law 44/2002, on measures to reform the financial system, amended by Law 2/2011, of 4 March, on sustainable economy, sets forth as

a preliminary and essential requirement for submission of a claim before the Claims Service of the Directorate General of Insurance and Pension Funds, proof as to a written claim having been previously submitted to the customer service or customer ombudsman of the company against which the claim is made. In this respect, the person making the claim must prove that a time limit of two months has expired from date of submission of the claim without it being resolved or that the claim has not been allowed to proceed or the petition has been dismissed.

The procedure applicable to submission of enquiries, complaints and claims before the Claims Service of the Directorate General of Insurance and Pension Funds is regulated in Order ECC/2502/2012, of 16 November.

The claim shall end with a reasoned report within a maximum time limit of four months. This report must contain clear conclusions stating whether the actions performed constitute a breach of the rules on transparency and protection and whether or not the entity has complied with good practices and financial uses. In any event, the final report must decide on all the issues put forward in the claims. The final report from the Claims Service will not be binding and may not be considered as a challengeable administrative act.

The procedures before the Claims Service of the DGSFP are the second echelon, also out-of-court and free, which reinforces the protection of the interests and rights of the insured, it improves the quality of the service provided by insurance companies and reinforces the transparency and good practices of the insurance industry.

In this respect, as we have just seen, if we focus on the matters in which claims arise, those regarding disagreements in the interpretation of contractual clauses, non-payment of the service, assessment of the damage and contractual modifications are in a prominent position, in particular, increase of premiums and co-payments.

6. Arbitration

The current Law that regulates this is Act 60/2003, of 23 December, on Arbitration, which structures this system as a means to resolving disputes out-of-court, with the particular characteristic that the decisions of the arbitrator to resolve disputes are binding, so the parties must fulfil them.

On the other hand, as specific rules in insurance, we have the provisions set forth in article 76 e) of the Insurance Contract Act, which indicates as follows: *"The insured is entitled to submit to*

arbitration any disagreement that may occur between him/her and insurer on insurance contracts. Arbitrators may not be appointed before the disputed matter arises”.

Likewise, also Royal Legislative Decree 6/2004, of 29 October, approving the Revised Text of the Law of Organization and Supervision of Private Insurance, sets forth in article 61 that policyholders, insureds, beneficiaries, affected third parties or rightful claimants of any of the aforesaid, may submit the disputes with the insurance companies to arbitration.

However, despite the creation of arbitration tribunals specific for insurance and the obvious advantages offered by this system for the resolution of disputes (8), the truth is that, so far, it has not been used that much in this sector. In any case, maybe because it is expensive, it has been used mainly for important claims.

7. Mediation in civil and commercial matters

This subject is governed by Act 5/2012, on mediation in civil and commercial matters, which transposes Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008. As it can be seen, this is a very recent law, which will have an important role in the insurance field.

The characteristics of the mediation process make the insurance industry have a new channel for the resolution of claims because, on the one hand, it is voluntary for the parties in dispute and, on the other hand, as the control of the legal matter may never be lost. In any event, the parties may abandon the process if thus decided by any of the parties involved.

In general, two kinds of mediation may be distinguished, depending on the matters thereof:

a) Mediation in mass matters: Cars, multi-risk home insurance, condominiums, businesses.

In general, in this kind of matters, initially alternatives must be sought to increase the out-of-court resolution of claims by promoting and concluding compensation agreements between companies.

This solution should apply to car and multi-risk agreements. In property damage the current agreements should be improved, those of direct compensation (CICOS: computer center for claim compensation) and the SDM (property damage claim) system, so the possibilities offered by these agreements may be used as

much as possible to resolve disputes amicably without having to resort to other channels.

Nevertheless, irrespective of the aims being attained, some matters will remain unresolved through the agreements and, in this case, the mediation procedure before resorting to the courts would be possible. Furthermore, this means may be interesting to resolve bodily injury claims, being mediation a procedure to avoid the court channel in matters in which an amicable solution may not be reached, such as problems caused by enforcement orders with a maximum amount and actions for recovery between companies.

Likewise, we believe that mediation through electronic procedures would be possible in this kind of claims. In this respect, Royal Decree 980/2013, of 13 December, implementing certain elements of Law 5/2012, of 6 July, on mediation in civil and commercial matters, develops in Chapter V a simplified mediation procedure by electronic means. This procedure is consistent with the flexibility and autonomy of the institution and it allows changing from a procedure submitted in person to a procedure by electronic means, and the other way round, in order to meet the needs of the parties.

b) Mediation in matters involving a considerable sum of money and of high complexity: industrial risks, construction, professional civil liability, etc.

In highly complex property insurance (industrial risks, construction, etc.), in which there may be several intervening parties in the production of the damage and in which there may be concurrent fault, exploring the opportunities offered by mediation to solve them would be very interesting.

Finally, we believe that mediation may offer in the insurance field the following advantages:

Voluntary nature: It is a voluntary process between the parties of the insurance contract, both in the decision to commence it and in its development and end, and the parties involved may abandon it at any time.

Free disposal: The decisions of the mediators are non-binding and, therefore, the participants may decide at any time to comply with the decisions or resort to other channels of dispute resolution, such as arbitration or court proceedings.

Quick: Mediation is a procedure that is quicker than a court case, which may take many years. In most cases, the dispute may be resolved within a few days. It may be commenced at any time

and the sessions may be scheduled as the parties wish. Also, the possibility for the mediation to be processed by electronic means (such as the SGR platform: recovery management system) must be taken into account, as this would provide great agility to the system.

Economical: In general, a mediation procedure is a great deal more economical than court proceedings. Firstly, not so many professionals (such as court attorneys), who make the proceedings more expensive, take part in a mediation procedure and there are no court fees. Secondly, and unlike what happens in court proceedings, in which the court costs will be paid by one of the parties, in a mediation procedure the costs will be shared by all the parties involved, unless otherwise agreed.

Flexibility of the procedures: The mediation procedure produces creative and common sense agreements, as the law plays a less central role, and the agreements reached do not set a precedent, because it is a private or individualized process, being designed according to the intervening parties.

In short, the mediation procedure is voluntary, there is greater participation and responsibility of the parties in the resolution of their problems, it is less costly, flexible, quicker and more efficient and it is more appropriate to finally resolve certain disputes.

In any case, we will have to see how this out-of-court system for the resolution of disputes will evolve. This procedure is very much used in other neighboring countries, but not much in our country. A cultural change may be needed. In Spain there is a rooted cultural heritage in which disputes are resolved in the courts. We believe that changing from the tradition of litigation to a tradition of settlements will be a long process. In our country people are used to agreeing to what a third party imposes, without taking a more active role in resolving our own disputes, and they prefer a third party to take the decision.

8. European Union: alternative resolution for consumer disputes

Directive 2013/11/EU of the European Parliament and of the Council, of 21 May 2013, on alternative resolution for consumer disputes, wants to offer a simple, fast and low-cost out-of-court solution to disputes between consumers and traders.

The purpose of this Directive is, through the achievement of a high level of consumer protection, to contribute to the proper functioning of the internal market by ensuring that consumers can, on a voluntary basis, submit complaints against traders to entities offering independent, impartial, transparent, effective, fast and fair "alternative dispute resolution procedures".

This Directive shall apply to procedures for the out-of-court resolution of domestic and cross-border disputes concerning contractual obligations stemming from sales contracts or service contracts (insurance contracts) through the intervention of an "alternative dispute resolution" (ADR) entity which proposes or imposes a solution or brings the parties together with the aim of facilitating an amicable solution.

It must be highlighted that this Directive acknowledges the competence of Member States to determine whether ADR entities established on their territories are to have the power to impose a solution. In any case, it does not prevent the parties from exercising their right of access to the judicial system.

Each Member State shall designate a competent authority (in Spain, the Spanish Agency for Consumer Affairs, Food Safety and Nutrition) which shall, among other functions, make a list with the ADR entities in its territory. For this purpose, it shall assess whether ADR entities observe the terms and quality conditions required by the Directive and by the national provisions which apply to them.

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 9 July 2015.

As a complement and based on the development and promotion of the new technologies, we must mention Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes.

The purpose of this Regulation is, through the achievement of a high level of consumer protection, to contribute to the proper functioning of the internal market, and in particular of its digital dimension by providing a European online dispute resolution platform facilitating the independent, impartial, transparent, effective, fast and fair out-of-court resolution of disputes between consumers and traders online.

This Regulation shall apply to the out-of-court resolution of disputes concerning contractual obligations stemming from online sales or service contracts between a consumer resident in the Union and a trader established in the Union through the intervention of an ADR entity, in accordance with Article 20(2) of Directive 2013/11/EU, as mentioned above.

This Regulation shall apply in the European Union from 9 January 2016.

III. Proposed rules in the insurance field

1. Commercial Code draft bill of 30 May 2014

Title VIII of this Commercial Code draft bill contemplates the regulation of "Insurance contracts and insurance mediation", which will replace the current Insurance Contract Act.

In this draft bill, several articles refer to out-of-court dispute resolution procedures in the insurance field. In this respect, article 581-8, as it regulates the content of policies, sets forth that policies must include "the out-of-court claim procedures available for the insured and, if appropriate, policyholder".

On the other hand, as it regulates the determination and payment of the compensation in insurance against loss, it sets forth in article 582-14. 2. that "If there is no agreement within a time limit of forty days, from reporting the claim, the parties may appoint an expert or commence a mediation procedure in civil and commercial matters". This article regulates an expert procedure that is similar to the current procedure under article 38 LCS (Insurance Contract Law)

Furthermore, article 583-27.3, in accident insurance policies, indicates that if the insured does not agree to the proposal of the insurer or if there is disagreement as to the origin or cause of the claim, an expert or mediation procedure in civil and commercial matters, mentioned in the previous paragraph, will apply.

Finally, regarding the legal defence insurance, article 582-48 sets forth that the insurer undertakes, within the limitations established, in this title and in the contract, to cover the costs that the insured may have incurred as a result of their intervention in an administrative, court or arbitration procedure or a mediation procedure in civil and commercial matters, and to provide court and out-of-court judicial assistance services derived from the insurance cover.

2. Draft Bill of the Act on Organisation, Supervision and Solvency of insurance and reinsurance companies, announced on 30 July 2014

The draft bill contemplates a specific section related to "dispute resolution mechanisms" and, in this respect, article 103 expressly contemplates several out-of-court dispute resolution mechanisms that may be used in the insurance field.

Thus, disputes that may arise between policyholders, insureds, beneficiaries and injured third parties and insurance companies, may be submitted for arbitration in the Consumer Arbitration System to a mediator in civil and commercial matters. They also may submit issues in dispute to arbitration under Act 60/2003, of 23 December, on Arbitration.

Finally, and in relation to current rules on protection of financial services customers contained in Law 44/2002, of 22 November, on measures to reform the financial system, there is specific reference to the obligation of insurance companies to receive and resolve complaints and claims that insureds may raise through customer services, as explained above.

NOTES

- (1) Vide "Report from the Claims Service of the Directorate General of Insurance and Pension Funds 2012", Directorate General of Insurance and Pension Funds, Madrid, 2013.
- (2) A decision of the Murcia Higher Provincial Court (Section 4) of 24 March 2011 (JUR 2011 178164) agrees with this interpretation, when it states that *"the premium is a substantial requirement of the insurance contract and an increase would legally entail a modifying novation of an essential element of the contract, which may not be imposed by one party on the other, but which requires mutual consent"*.
- (3) Vide in this matter, "Memoria Social sobre el Seguro Español 2013" [Social Report on Spanish Insurance Industry, 2013], published by Unespa (The Spanish Association of Insurance and Reinsurance Institutions) which mentions that more than 50 million claims are processed every year. Page 5.
- (4) In this respect., Vide AYUSO GUTIÉRREZ, M., SANTOLINO PRIETO, M., "Tipología de litigios con componente aseguradora en jurisdicción civil" [Types of insurance disputes in civil jurisdiction], *Revista Española de Seguros*, nº 157, 2014, page 567, in which it is indicated: "Litigation procedures with an insurance component represent asignificant percentage of the total amount of civil litigation procedures (more than 13% of the disputes according to our findings)".
- (5) About this, vide the recent sentence of the A Coruña Higer Provincial Court (Section 3) of 1 March 2013 (JUR 2013\124593), which indicates: "Although it is true that the out-of-court procedure of article 38 has an imperative character for the settlement of the damage, so that parties may not simply resort to court dispute resolution [TS. 14 July 1992 (RJ Aranzadi 6288), and 17 July 1992 (RJ Aranzadi 6432, among others)], this doctrine starts from the premise that the only disputed matter is the amount of the damage that must be compensated. If the disagreement is based on whether the claim is covered or not by the policy or if a certain ground for exclusion applies, it is not appropriate to carry on with the expert process, as experts may not interpret the contract nor if a certain event is included within the agreed scope of cover [TS. 4 September 1995 (RJ Aranzadi 6491) and 26 October 1998 (RJ Aranzadi 8510)]".
- (6) Vide VÁZQUEZ BURGOS, M.A., in "Desayunos con Inade" [Breakfast with Inade], June, which indicates: "Every year, through the TIREA (IT and Networks for Insurance Companies) teams, 2.2 million claims are processed, which originate compensation in the amount of 5,825 million Euros, of which 61.45% (3,580 million) is for the payment for car repair garages, 30% (1,745 million) for personal injury compensation and 8.55% for the payment of health costs (500 million)".
- (7) Royal Legislative Decree 6/2004, of 29 October, which approves the Revised text of the Law on the organisation and supervision of private insurance.
- (8) As an example, the Spanish Insurance Arbitration Tribunal (initials in Spanish, TEAS) constituted by SEAIDA in 1996 as an arbitration administration institution, pursuant to article 14 of the Act on Arbitration, which allows certain institutions, among them non-profit associations, to engage in this activity.