

Queensland COMPULSOR

Vehicles Insured as at 30 June 1998

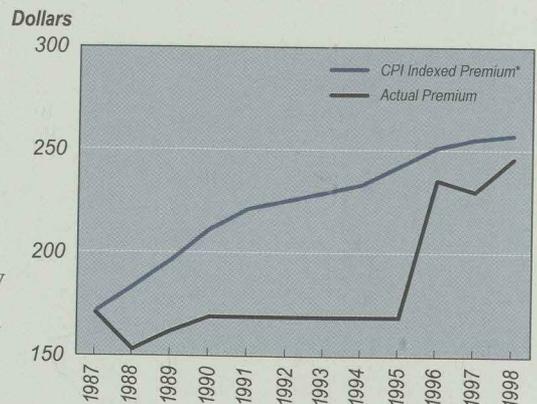
Insurance Class	Number of Vehicles	Percentage	Premium from 24/9/98
1	1,634,601	72.20	\$246
2	4,715	0.21	\$246
3	2,560	0.1	\$1,107
4	16,007	0.71	\$836
5	4,170	0.18	\$22
6	376,795	16.64	\$246
7	46,046	2.03	\$738
8	5,327	0.24	\$246
9	2,387	0.11	\$246
10	3,296	0.15	a
11	3,886	0.17	b
12	28,078	1.24	\$69
13	41,346	1.83	\$246
14	28,035	1.24	\$69
15	9,174	0.41	\$69
16	752	0.03	\$246
17	52,564	2.32	\$110
19	456	0.02	\$22
20	80	0.00	\$22
21	43	0.00	\$123
23	3,740	0.17	\$246
24	28	0.00	\$246
Totals	2,264,086	100	

a \$270 + \$26 per adult passenger seat in excess of 7.

b \$250 + \$47 per adult passenger seat in excess of 7.

CTP Premium

Although the fundamentals which influence the calculation of CTP insurance premiums (i.e. claims frequency and average claim size) differ from the fundamentals contributing to growth in the CPI, the accompanying graph highlights the relative affordability of CTP premiums since 1987. This graph plots actual Class 1 premiums against the 1987 Class 1 premium inflated by the CPI over the relevant period.



* CPI calculation based on Brisbane Metropolitan Index.

Premium, Levy and Fee Collection 1 July 1997 to 30 June 1998

	Dollars
Gross Premium	545,091,168
Hospital Levy*	(9,535,892)
Emergency Services Levy*	(1,907,178)
Department of Transport Fee	(9,103,023)
Nominal Defendant Levy*	(16,352,735)
MAIC (Statutory Insurance Scheme) Levy*	(3,678,130)
Net Premium	504,514,210

* Includes June 1998 levies payable by 14 July 1998.

THIRD PARTY SCHEME

Market Share - Licensed Insurers

Insurer	1/9/94 units	30/6/95 units	30/6/96 units	30/6/97 premium	30/6/98 premium
AAMI	2.27	2.74	3.36	4.06	4.61
CIC <i>(Licence withdrawn 22/1/96)</i>	0.02	0.11	0.08	0.00	0.00
Commercial Union <i>(Licence withdrawn 1/3/97)</i>	1.27	1.57	1.63	0.96	0.00
FAI	30.62	29.45	27.21	25.56	25.39
GIO <i>(Licence withdrawn 30/6/96)</i>	0.12	0.28	0.43	0.00	0.00
Mercantile Mutual <i>(Licence withdrawn 1/11/96)</i>	0.79	0.82	0.84	0.28	0.00
MMI	2.28	2.96	3.38	4.15	4.25
QBE	0.01	0.09	0.22	0.42	3.61
Suncorp	57.15	56.10	56.40	57.53	58.40
VACC	5.13	5.73	6.28	6.78	3.65
Zurich <i>(Licence withdrawn 15/11/97)</i>	0.00	0.08	0.17	0.26	0.09

*Following the transfer of a section of CTP business from VACC to QBE on 12 January 1998, the premium based market shares for these two companies are distorted as at June 1998.

In accordance with the Motor Accident Insurance Regulation 1994, an insurer's share of the market for CTP insurance business is calculated by adding the insurance premiums received by the insurer during the relevant financial year for all classes of CTP insurance business (as shown in Transport Administration's records) and expressing the total amount as a percentage of the total insurance premiums received by all licensed insurers during the same financial year for the insurance of Class 1, Class 6 and Class 7 motor vehicles. Licensed insurers are subject to the condition that the Commission must withdraw the licence if the licensee does not, at the end of the financial year in which the fifth anniversary of the grant of the licence falls, have a share of the market for CTP insurance equal to or greater than 5%. The insurer must maintain this minimum

level of market share in subsequent financial years.

Prior to the 1996-97 financial year, this premium-based calculation was not available and therefore market share was reported based on number of vehicles insured, i.e. units.

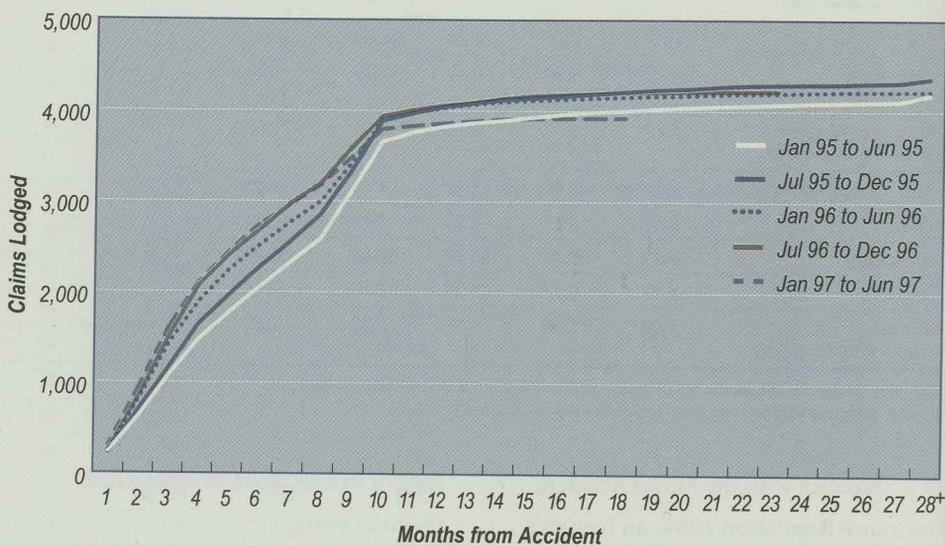
◆ QUEENSLAND COMPULSORY THIRD PARTY SCHEME ◆

◆ Cumulative Claims Lodgment

In accordance with the *Motor Accident Insurance Act 1994*, a notice of claim must be given to the insurer within 9 months

after the motor accident or the first appearance of symptoms of the injury.

This graph demonstrates that the majority of claims have been lodged within the nine month time frame to comply with the Act.



Notice of Claim Lodgments

(All insurers) Accidents 1 September 1994 to 30 June 1998

Injury Quarter	Development Quarter												Total
	1	2	3	4	5	6	7	8	9	10	11	12+	
Sep 94 – Dec 94*	717	568	982	277	102	51	29	25	26	25	14	32	2,848
Jan 95 – Mar 95	500	464	723	189	57	37	23	14	10	14	12	15	2,058
Apr 95 – Jun 95	613	512	598	233	47	36	26	17	15	10	5	14	2,126
Jul 95 – Sep 95	665	491	689	205	54	42	31	15	17	13	7	8	2,237
Oct 95 – Dec 95	555	587	666	192	43	29	23	8	10	8	4		2,125
Jan 96 – Mar 96	697	551	613	146	40	19	10	14	3	3			2,096
Apr 96 – Jun 96	779	513	512	223	43	20	22	8	6				2,126
Jul 96 – Sep 96	846	535	535	132	71	20	9	3					2,151
Oct 96 – Dec 96	742	596	551	137	32	17	3						2,078
Jan 97 – Mar 97	757	561	505	94	37	5							1,959
Apr 97 – Jun 97	898	549	395	105	16								1,963
Jul 97 – Sep 97	933	515	410	55									1,913
Oct 97 – Dec 97	876	560	123										1,559
Jan 98 – Mar 98	860	209											1,069
Apr 98 – Jun 98	324												324
Totals	10,762	7,211	7,302	1,988	542	276	176	104	87	73	42	69	28,632

* This period covers accidents for four months.

◆ QUEENSLAND COMPULSORY THIRD PARTY SCHEME ◆

Claims Status

Accident Period 1 September 1994 to 30 June 1995 (10 months)

	INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Norm. Defend.	VACC	TOTAL
Claims Received		150	7	111	1901	15	282	71	2	5	3766	261	461	7032
Liability Determined		148	3	111	1828	15	263	71	1	5	3728	257	438	6868
(%) Determined		99	43	100	96	100	93	100	50	100	99	98	95	98
Finalised		101	4	82	1432	13	230	60	1	4	2918	192	324	5361
(%) Finalised		67	57	74	75	87	82	85	50	80	77	74	70	76

Accident Year 1 July 1995 to 30 June 1996

	INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Norm. Defend.	VACC	TOTAL
Claims Received		222	8	120	2220	30	421	88	15	9	4565	361	525	8584
Liability Determined		209	5	120	2162	29	342	79	15	7	4511	349	494	8322
(%) Determined		94	63	100	97	97	81	90	100	78	99	97	94	97
Finalised		110	4	59	1470	27	295	53	5	5	2814	191	310	5343
(%) Finalised		50	50	49	66	90	70	60	33	56	62	53	59	62

Accident Year 1 July 1996 to 30 June 1997

	INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Norm. Defend.	VACC	TOTAL
Claims Received		262	0	121	1984	14	419	57	30	14	4405	289	556	8151
Liability Determined		252	0	120	1863	14	366	52	25	7	4238	275	479	7691
(%) Determined		96	(-)	99	94	100	87	91	83	50	96	95	86	94
Finalised		102	0	43	863	10	194	24	8	3	1760	95	212	3314
(%) Finalised		39	(-)	36	43	71	46	42	27	21	40	33	38	41

Accident Year 1 July 1997 to 30 June 1998

	INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Norm. Defend.	VACC	TOTAL
Claims Received		153	0	12	1180	0	278	2	90	1	2721	209	219	4865
Liability Determined		130	0	12	873	0	184	2	25	1	2054	103	118	3502
(%) Determined		85	(-)	100	74	(-)	66	100	28	100	75	49	54	72
Finalised		19	0	2	134	0	39	1	6	0	351	13	29	594
(%) Finalised		12	(-)	17	11	(-)	14	50	7	(-)	13	6	13	12

(This table is not indicative of the full claims experience of this accident year due to the relatively short time frames between the cut-off of data and this accident period in comparison to the earlier accident periods above.)

◆ QUEENSLAND COMPULSORY THIRD PARTY SCHEME ◆

◆ **Payment Dissection by Insurer - All New Act Claims
(Payments 1 September 1994 to 30 June 1998)**

Code	Payment Type	AAMI	CIC	CU	FAI	
A1	Aids and appliances	91,486		55,170	266,186	
C1	Long-term care and home care	276,542		83,953	2,773,401	6,339
E1	Economic loss - past	386,173	11,192	27,236	5,676,961	2,377
E2	Economic loss - future	802,021		52	7,160,804	2,377
G1	General damages	2,541,681	97,056	4,819,766	36,216,069	24,377
H1	Home and vehicle modifications	375			281,181	
L1	Investigation costs	148,492	11,468	13,919	2,203,881	4,222
L2	Legal costs - plaintiffs	666,874	2,500	106,564	7,043,993	70,333
L4	Legal costs - defendants (solicitors)	300,072	4,627	289,339	1,774,202	58,888
L5	Legal costs - defendants (barristers)	37,987			159,221	
L6	Legal costs - defendants (other outlays)	39,086		31,902	102,603	10,733
M1	Hospital, medical, pharmaceutical	688,036	10,907	77,078	6,520,925	50,222
N1	Payments to interstate and non CTP insurers			1,965	269	
P1	Other	63,284		10,324	259,076	1,611
R1	Rehabilitation service costs	114,594	10,995	59,475	1,456,813	22,077
V1	Recoveries from Insured					
V2	Other party (other than through sharing)	(4,904)				
V3	Nominal Defendant recovery					
Totals		6,151,799	148,745	5,576,743	71,895,585	579,511

Compulsory Third Party insurance is "long tail" in nature. Premiums collected by insurers in any one financial year may take a number of years to distribute to claimants in the form of claim payments to compensate for personal injury sustained as a result of motor vehicle accidents.

◆ QUEENSLAND COMPULSORY THIRD PARTY SCHEME ◆

MMI	Merc. Mut.	QBE	ZURICH	SUNCORP	Nom. Def.	VACC	TOTAL	%
59,857	541			865,815	2,669	6,473	1,351,686	0.46
918,928	40,658			13,147,513	351,500	157,200	18,810,684	6.35
278,437	203,449	2,720	10,482	11,845,576	874,812	399,125	20,739,945	7.01
233,112	740	5,000		27,422,657	1,466,064	500,118	39,615,568	13.38
321,975	1,091,707	194,250	85,292	72,152,401	3,935,242	8,159,129	136,862,638	46.23
284,786				794,418	530	21,000	1,382,290	0.47
429,618	77,789	8,682	6,968	1,941,564	555,452	212,748	5,614,873	1.90
548,882	280,482	20,740	22,968	16,982,177	881,377	1,541,142	29,168,050	9.85
637,676	246,294	6,797	4,593	4,483,761	935,180	866,513	9,607,944	3.25
48,769	12,278		967	389,080	75,950	61,561	785,813	0.27
14,885	2,041		393	946,472	247,734	88,220	1,484,070	0.50
460,636	146,777	39,472	10,394	12,668,862	682,264	1,331,647	23,687,226	8.00
223,966	110,306					4,642	441,148	0.15
57,171	1,220	6,842	845	3,475,887	25,321	373,980	4,275,575	1.44
387,213	13,299	13,197		1,784,188	244,563	395,826	4,502,235	1.52
						(8,120)	(8,120)	(0.00)
(60,165)				(2,039,408)	(11,683)	(17,052)	(2,233,212)	(0.75)
					(30,200)		(30,200)	(0.01)
845,746	2,227,581	297,700	142,902	166,860,963	10,236,775	14,094,152	296,058,213	100.00

As an illustration, the net premium collected by insurers from 1 September 1994 to 30 June 1995 was \$271M, while the net premium collected in 1995-96 was \$361M and for 1996-97 was \$496M. Claim payments to date are \$141M for the first accident period, \$102M for the second accident period and \$47M for the third accident period.

◆ QUEENSLAND COMPULSORY THIRD PARTY SCHEME

◆ Age Group of Claimants for Accidents 1 September 1994 to 30 June 1998

Age Group	Male	Female	Unknown	Total
Unknown	95	107	60	262
0 - 5 years	146	159	1	306
6 - 15 years	652	633	2	1,287
16 - 25 years	3,016	3,270	13	6,299
26 - 35 years	3,578	3,842	10	7,430
36 - 45 years	2,512	2,702	5	5,219
46 - 55 years	1,747	2,041	5	3,793
56+	1,760	2,273	3	4,036
	13,506	15,027	99	28,632

Number of Accidents by Postcode Division 1 September 1994 to 30 June 1998

Location	Postcode	Number of Accidents
Brisbane City	4000-4072	4,312
	4500-4549	942
	4073-4209	5,605
Gold Coast Region	4210-4299	3,105
Ipswich Region	4300-4349	922
Toowoomba Region	4350-4499	934
	4602-4618	75
Mt Isa Region	4825-4834	69
Sunshine Coast Region	4550-4601	1,430
	4619-4689	1,009
Rockhampton Region	4690-4736	490
Mackay Region	4737-4805	654
Townsville Region	4806-4824	714
	4835-4850	51
Cairns Region	4851-4899	1,070
		21,382