



motor accident insurance commission

annual report
1999-2000



Lesley Anderson, Janette Archibald, Mike Reynolds, Bill Watson,
Tulia Koroivawai-Gauna (front) and John Hand (front right)

The Commission

Profile

The Motor Accident Insurance Commission (MAIC) is responsible for regulating Queensland's Compulsory Third Party Scheme and managing the Nominal Defendant Fund.

It provides a framework for the determination of premiums and independently licenses and supervises insurers in accordance with the Motor Accident Insurance Act 1994.

The role also includes advising the Government on the ongoing suitability of the scheme in providing a balance between the needs of the stakeholders.

The Commission is active in programs to minimise and mitigate the effects of motor vehicle accidents through roles in funding of education, rehabilitation and research.

Values

We are committed to these fundamental principles:

- Leadership through commitment not control;
- Achieving success through service and teamwork; and
- Behaving with integrity and independence.

The Hon. David Hamill MLA
Treasurer
Parliament House
Cnr George & Alice Streets
BRISBANE QLD 4000

Dear Minister

In accordance with Section 19 of the *Motor Accident Insurance Act 1994*, the Motor Accident Insurance Commission submits the following report on the operation of the statutory insurance scheme established by the Act, and on the financial statements of the Commission and the Nominal Defendant from 1 July 1999 to 30 June 2000.

Yours faithfully

Lesley Anderson
Insurance Commissioner



Communication Strategy

This annual report has been prepared to provide an overview of the operation of Queensland's Compulsory Third Party (CTP) insurance scheme and the Commission's approach to the management and regulation of the scheme.

The report addresses the informational needs of a diverse group of readers including: policy holders, claimants, underwriters, legal and medical professionals, motoring and motor trade organisations, government, media, and other regulatory organisations.

This document includes the Commission's strategic plan, statistical information relating to the scheme, and the audited financial statements of both the Motor Accident Insurance Commission and the Nominal Defendant.

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Yours faithfully

A handwritten signature in cursive script, appearing to read 'Lesley Anderson', written in black ink.

Lesley Anderson
Insurance Commissioner

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Communication Strategy

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commissioner's report

For the Commission the period from April 1999 to 1 October 2000 has been particularly active on account of the Queensland CTP Scheme Review and implementation of the recommendations.

Significant amendments were required to the *Motor Accident Insurance Act 1994*; these amendments were passed on 31 May 2000. Some amendments came into effect from 1 July 2000 but in the main, the new scheme commenced on 1 October 2000. The key initiatives are the introduction of an affordability index, a competitive premium model, streamlining of claims processes and minor changes to benefits whilst retaining an essentially unlimited common law scheme. A summary of the Review process and recommendations is contained in the feature article on pages 16 to 18.

Under the new arrangements, the insurers file premiums with the Commission between specified minimum and maximum premiums every three months. In the first round of filings to come into effect on 1 October 2000 the Class 1 premiums ranged from \$285 to \$299.

The Commission receives assistance from a CTP Advisory Committee in its determination of the minimum and maximum premiums and in consideration of general strategic issues relating to the competitive premium model. The current committee comprises Bernard Rowley, Henry Smerdon and Noel Mason.

CTP as an Insurance Product

One of the objectives of the review recommendations was to shift the motorist's perception of CTP insurance from that of a government tax to an insurance product. To this end, motorists need to contact the insurers

to obtain information on premiums and any add-on products or incentives that might be available. This information is to be obtained and the choice made before approaching Queensland Transport to complete the registration transaction. Supporting arrangements for this philosophy have been put in place after consultation with Queensland Transport.

Regulated Premium from 1 July 2000

Because the competitive premium model could not be introduced until 1 October 2000, it was necessary under the prevailing legislation for the Commission to recommend to Government a regulated premium to apply from 1 July 2000. An actuarial analysis of claim trends was undertaken as well as a review of insurer expense allowances based on information obtained in the National Competition Policy component of the CTP Review. The net effect was a recommendation for a Class 1 premium of \$286 inclusive of GST. Underlying trends included an increase in claim frequency partially offset by assessed slower growth in the average size of claims. A change in the assumption for investment returns relative to the assumption for inflationary expectations had a downward impact on the premium. In arriving at the premium, a temporary reduction was made to the levies and administration fee to absorb the impact of GST which only needed to apply to levies until the competitive premium model (which separates the insurer's premium from the levies) was introduced.

Goods and Services Tax (GST) and Businesses

As mentioned above, premiums from 1 July 2000 incorporate the applicable GST. However special transitional rules mean that input tax credits are not available to businesses for CTP insurance premiums until at least 1 July 2003. It should be noted that if such input tax credits were available, the business would consequently be exposed to the payment of GST on any payments made to third parties in settlement of claims. CTP authorities around Australia will be consulting with the Federal Government over the next year or so to resolve the potential problems this situation would cause for CTP schemes, including the possible necessity for differential CTP premiums for businesses.



Wayne Saville, Ian Evans, Julie Ećimovic and Les Kilmartin

Scheme Monitoring

The Commission's monitoring role of the CTP scheme is carried out through a range of activities including the analysis of claim trends and discussions with the various scheme participants. Summary statistics on the scheme are presented on pages 20 to 26 of this report. More detailed statistics are supplied on a quarterly basis to scheme participants (the insurance industry and the legal profession) and regular actuarial analysis of scheme trends is obtained from consulting actuaries by the Commission and shared with scheme participants.

The Review Committee recommended a greater role for the Commission in relation to improvement in the quality of claim and payments data submitted to the Commission by the licensed insurers. Integrity of this data is crucial to accurate understanding of scheme trends. The recommendations included an increase in the level and extent of data auditing undertaken.

A number of planned audits were completed during the year and these audits concentrated on auditing data fields that are particularly relevant to the determination of assumptions underlying the premiums.

In relation to injury coding, the Commission engaged personnel from the CONROD Trauma Registry to undertake two studies investigating reliability and validity of insurers' injury severity coding data which is provided to the Commission. The Commission will meet with insurers to discuss findings before a final report giving recommendations for improvement is prepared.

Under the *Motor Accident Insurance Act*, insurers have an obligation, within two months of receipt of a complying notice of claim, to resolve questions about which insurer is to be the claim manager and the basis on which claim costs are to be shared between them. During the year the industry modified its sharing agreement and this has led to a significant reduction in the need for the appointment of referee panels to resolve disputes.

Prudential Supervision

Currently, seven underwriters hold market share in the CTP scheme with Suncorp Metway Insurance Limited and FAI General Insurance Company Limited retaining market dominance. NRMA Insurance Limited made application for entry into the market and was licensed from 1 April 2000.

In accordance with a recommendation by the Review Committee, the Commission is enhancing its supervision activities in regard to licensed insurers, in particular through close monitoring of adherence to business plans and the commissioning of inspections, audits or actuarial investigations as and when appropriate. New relationships are also being developed with the Australian Prudential Regulation Authority (APRA) as APRA revises its supervision framework.

Nominal Defendant

The Nominal Defendant settled 300 claims during the financial year relating to personal injury caused by either uninsured or unidentified vehicles. Claims monitoring resulted in the identification of nine suspected fraudulent claims, and there was increased focus on recovery of amounts from uninsured owner/drivers on whose behalf the Nominal Defendant has made claim payments to injured parties.

In the 1 July 2000 premium review the Nominal Defendant levy was decreased from 4.16% to 3.777% as a temporary measure to absorb the effect of the GST on the levy. From 1 October 2000 the levy rate will be \$12.40 per Class 1 vehicle (the levy rate varies for other classes according to the relative claim frequency of the class).

Research Initiatives

The Commission continues to focus on, and financially support, initiatives aimed at reducing the incidence of motor vehicle accidents and reducing the severity of road trauma.

The key initiative of the Commission is the funding of two research centres: CONROD (Centre of National Research on Disability and Rehabilitation Medicine) and CARRS-Q (Centre for Accident Research and Road Safety - Queensland). The ongoing funding of these two centres at present amounts to approximately \$1.3M per year.

In addition to core funding, both CONROD and CARRS-Q have responsibility for administering competitive grants to external researchers. In 1999/2000 CONROD awarded a total of \$100,000 to seven researchers in fields related to rehabilitation. CARRS-Q awarded a total of \$392,000 to 13 researchers for a diverse range of accident prevention projects. The Commission has representation on the committees which evaluate and select these projects.

Other funding initiatives in 1999/2000 were:

- \$500,000 to Queensland Transport to support the Easter Fatal 4 road safety media campaign;
- \$1.142M to the Queensland Police Service for enforcement equipment aimed at reducing the incidence of road crash trauma;
- \$17,439 to the Queensland University of Technology being the first of three annual payments as the Commission's contribution towards the Alcohol Ignition Interlock Research Project conducted by CARRS-Q; and
- \$16,872 to the Queensland University of Technology for additional funding for the QUT-CONROD Research Fellowship in Clinical Biomechanics.

Organisational Matters

With the change of emphasis in some aspects of the work of the Commission, several changes have been made to the staffing structure, in particular to further strengthen analytical resourcing. The Commission is also taking on greater roles in education relating to the scheme, and in providing an information service to potential claimants and policy holders where required.

The Commission is a statutory body reporting to the Treasurer. Organisationally it is regarded as a Portfolio Office of Queensland Treasury, albeit as a non-departmental output because of the trust fund status of the Commission and Nominal Defendant. Whilst retaining full responsibility for its operations, the Commission utilises relevant Treasury Department policies and practices. The linkages with and support from Queensland Treasury personnel are acknowledged.

It is important that the Commission remain outward looking, and to this end staff of the Commission keep up to date with state and national trends in personal injury schemes, including participation in actuarial and insurance law seminars and conferences. The Commission also continues to promote cross-relationships with Australia-wide personal injury scheme authorities.

Outlook

As a result of the Review, the Commission's activities are now focused towards the quarterly competitive premium model, increased benchmarking and monitoring of insurers' operations, and increased information flows to the general public, potential claimants and providers. The CTP Claims Help Line has been established and its contribution to the operation of the scheme will be monitored.

The overarching reform is the affordability index and its potential to trigger scheme redesign. Trends in the various components which could put pressure on premiums will be closely examined and consultation forums will be held to draw to the attention of the scheme participants any such adverse trends.

I would like to acknowledge the contribution of a range of parties to the Review Process and the implementation of the recommendations, including the scheme participants (the insurance industry, the legal profession and the medical profession) and a number of Government agencies, especially Queensland Transport. The drafting of the amendment legislation was carried out primarily by Mr Geoff Hackett-Jones and particular thanks is due to him for preparing the legislation under very tight timeframes. The Review Committee and the subsequent Advisory Committee have made a major contribution to the process and the Commission is especially appreciative of the manner in which our contributions have been sought and recognised. The final acknowledgement is made to the staff of the Commission who have met the challenges of the past year.



Lesley Anderson
Insurance Commissioner

corporate profile

The Motor Accident Insurance Commission is responsible for the ongoing management of the CTP motor accident personal injury insurance scheme in Queensland. Established under the *Motor Accident Insurance Act 1994*, the Commission commenced operations on 1 September 1994 as a statutory body reporting to the State Treasurer. The chief executive of the Commission is the Insurance Commissioner who also has the role of Nominal Defendant.

Scheme Description

Since 1936, Queensland has operated a common law fault based compulsory third party (CTP) motor vehicle insurance scheme. The scheme provides motor vehicle owners with a policy of insurance which covers their unlimited liability for personal injury caused by, through or in connection with the use of the insured motor vehicle anywhere in Australia.

For those injured in motor accidents, the scheme provides access to the common law where the injured party can establish negligence against an owner or driver. It should be noted that, because the scheme is a fault based scheme, circumstances can arise where, for example, a driver who is solely at fault in an accident cannot obtain compensation because there is no negligent party against whom he or she can bring an action.

Seven licensed private insurers currently underwrite the Queensland CTP scheme. The licensed insurers accept applications for insurance and manage claims on behalf of their policyholders.

Until 30 September 2000 premiums were set by regulation and could not be varied by the insurer. The introduction of a competitive model for the scheme from 1 October 2000 allows insurers to determine their premiums within floor and ceiling premiums set by the Commission. The efficient system of premium

collection through the motor registry of Queensland Transport has been retained to minimise administration costs within the scheme and to provide motorists with a relatively convenient form of transaction.

The office of the Nominal Defendant acts as insurer where damages are claimed for personal injury arising from the liability of uninsured motor vehicles and unidentified motor vehicles. The Nominal Defendant, in the event of insolvency of an underwriting CTP insurer, has a legislated role to meet the cost of claims against that insurer.

CTP premiums in Queensland remain relative to other States with the Queensland scheme one of only three schemes continuing to offer essentially unlimited common law entitlement (the other schemes are Tasmania and ACT).

Although the structures of the schemes differ, all CTP authorities in Australia participate in regular forums to address common issues for all the State schemes.

Key Functions

The primary activities of the Commission are set out below. Some of these activities commence in accordance with the Act amendments from 1 October 2000.

- Keeping the statutory insurance scheme generally under review and making recommendations for its amendment;
- Ensuring premium affordability by reporting to Government on cost trends of the scheme and developing appropriate changes to the scheme if and when the affordability index is likely to be exceeded;
- Establishing and developing target rates of efficiency of the scheme which will measure the cost of delivery of benefits to injured persons and the proportion of the premium dollar that reaches injured persons;
- Maintaining insurance standards and scheme credibility through licensing, prudential supervision of insurers and monitoring insurer claims management compliance;
- Fixing premium ranges and recommending scheme levies to government;
- Providing an information service to policy holders and potential claimants on the operation of the scheme;
- Assessing and funding a diverse range of education, research and rehabilitation strategies to minimise and mitigate the effects of motor vehicle accidents;
- Developing and maintaining a claims register and statistical database for the purpose of providing scheme information; and
- Administering the Nominal Defendant Scheme and Fund.

The Commission is assisted in key strategic functions by reference to an Advisory Committee established under Section 11 of the Act. The current Advisory Committee comprises Bernard Rowley, Henry Smerdon and Noel Mason.



John Foster, Lynne McCall-Marshall, Max Leo and Neil Tomkins

Funding

The Motor Accident Insurance Commission is funded by a statutory levy within the CTP premium. The levy for the year 1999-2000 was set at 0.335% of gross premium resulting in an income from the levy of \$2.382M. The Commission also has available the interest earned on investment of the Motor Accident Insurance Fund and revenue from compliance fines. These amounts, combined with any surplus from the statutory levy, fund the Commission's research initiatives.

The Nominal Defendant operation is funded by a levy within the CTP premium. The levy is set on the basis of an actuarial assessment of claim trends. For the reporting period, the levy was 4.16% of the premium, resulting in an income of \$23.645M during 1999-2000.

From 1 July 2000 to 30 September 2000, the statutory levy was 0.315% and the Nominal Defendant levy was 3.777%. From 1 October 2000 the statutory levy is \$1 per vehicle. The Nominal Defendant levy varies in accordance with the class of the vehicle; for class one vehicles the levy is \$12.40 from 1 October 2000.

corporate governance

The operations of the Motor Accident Insurance Commission are governed by the *Motor Accident Insurance Act 1994*. Under this legislation the Insurance Commissioner, in the Commissioner's official capacity, constitutes the Commission. The Commissioner is also the Nominal Defendant and is appointed under the *Public Service Act 1996* with responsibility for the administration of the Act, the Motor Accident Insurance Fund and the Nominal Defendant Fund.

The Insurance Commissioner reports to the State Parliament through the Treasurer and provides regular status reports on operations, as well as an annual report required by the *Financial Administration and Audit Act 1977* and under section 19 of the *Motor Accident Insurance Act 1994*.

The Commission operates within a framework of policies and procedures established by the Queensland Government, including the requirements of the *Financial Administration and Audit Act 1997*.

Freedom of Information

During the reporting period, the Nominal Defendant received one application for the release of information under the provisions of the *Freedom of Information Act 1992*; this application has been finalised. The Commission received two applications for the release of information and these applications have also been finalised.

Internal Audit

The Management Audit Services Branch of Queensland Treasury provides internal audit services to the Motor Accident Insurance Commission. The audit aims to assess financial and administrative control systems and seeks to improve the organisation's management of, and accountability for, the use of resources. It also aims to address, at a strategic level, key risk areas and corporate governance issues.

The results of all audits are reported to the Under Treasurer and include opinions regarding the adequacy and effectiveness of financial, operational, administrative and computer controls. Additionally, recommendations are made for strengthening and enhancing controls if any weaknesses or breakdowns are evident.

In light of the extensive internal audit review of the Commission in 1998-99, the audit of the Commission's operations in April 2000 focused on those controls identified in the most recent full internal audit to ensure that they are still in place and operating satisfactorily. In the opinion of Management Audit Services, adequate internal controls are in place and operating effectively to ensure that the Motor Accident Insurance Commission and the Nominal Defendant meet their objectives.

staff matters

The Motor Accident Insurance Commission aims for an effective working environment that is safe, equitable, free from discrimination and conducive to the achievement of excellent results. Total staffing in the Commission and the Nominal Defendant is 25. The staff in the two areas work closely together in the interests of staff development and to harness the experience of claim managers in the development of scheme policy.

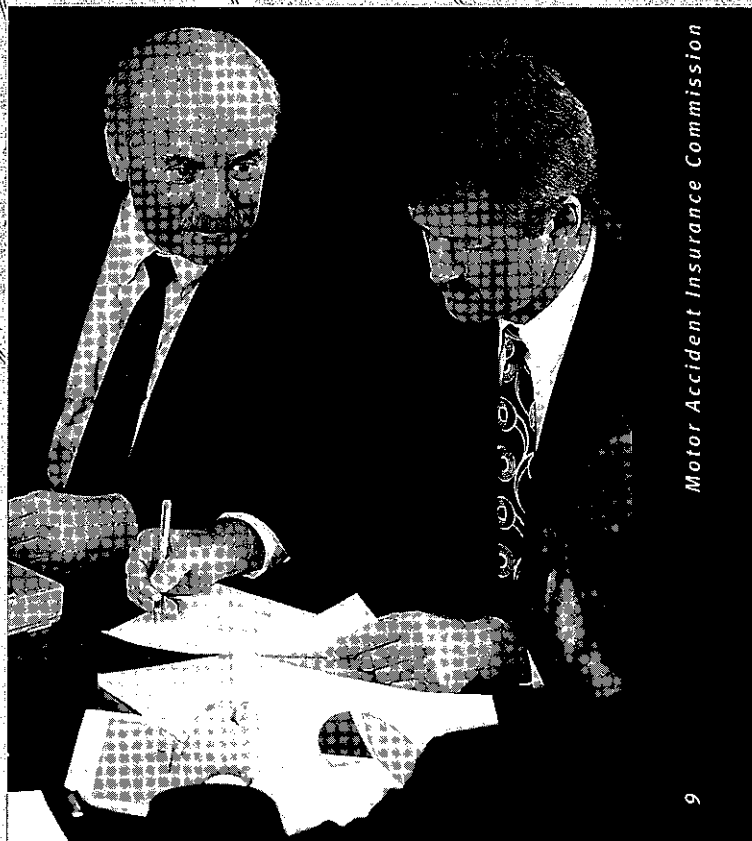
Potential areas for development and enhancement in our operations were discussed at a strategic planning session in November 1999 and a follow-up session in June 2000. An action plan was formulated and progress against this plan has been updated on a quarterly basis. The key initiatives are in the area of communication where a number of new channels for information exchange (formal and informal) have been introduced.

The CTP Review and the implementation of the recommendations had a significant impact on the office, with all staff at least partially involved in the process. The Review Team of Lesley Anderson, John Hand, Les Kilmartin and Bill Watson were joined in full-time capacities by Mike Reynolds and Janette Archibald to implement the reforms.

Ian Evans and Wayne Saville were appointed as Nominal Defendant Claim Managers during the year following the retirements of Bernie Clark and Mike Hogan. Ian has worked in the general insurance industry since 1975 and specifically within the CTP insurance environment since 1989. Wayne has been with the Commission since 1996 and has been relieving in the position of Manager, Nominal Defendant since April 1999 to cover the period that Les Kilmartin was working on the Review and the implementation of the reforms. Les has recently been promoted to a redesignated position of Manager, Nominal Defendant and Principal Adviser Claims.

Other permanent positions currently being created are intended to strengthen resourcing in research and compliance (especially data audit issues) and policy/client services. With the introduction of the CTP Claims Help Line, two positions are being redirected to the staffing of this service. As a staff development initiative, Greg Bott (Manager Systems and Finance) is currently seconded to Treasury Office until March 2001. His position is being filled in an acting capacity by Tulia Koroivawai-Gauna.

Rex Mellifont, Ian Evans and Wayne Saville



management and organisational structure

Insurance Commissioner

Lesley Anderson

B.Comm(Hon) M.Ec(Hon)

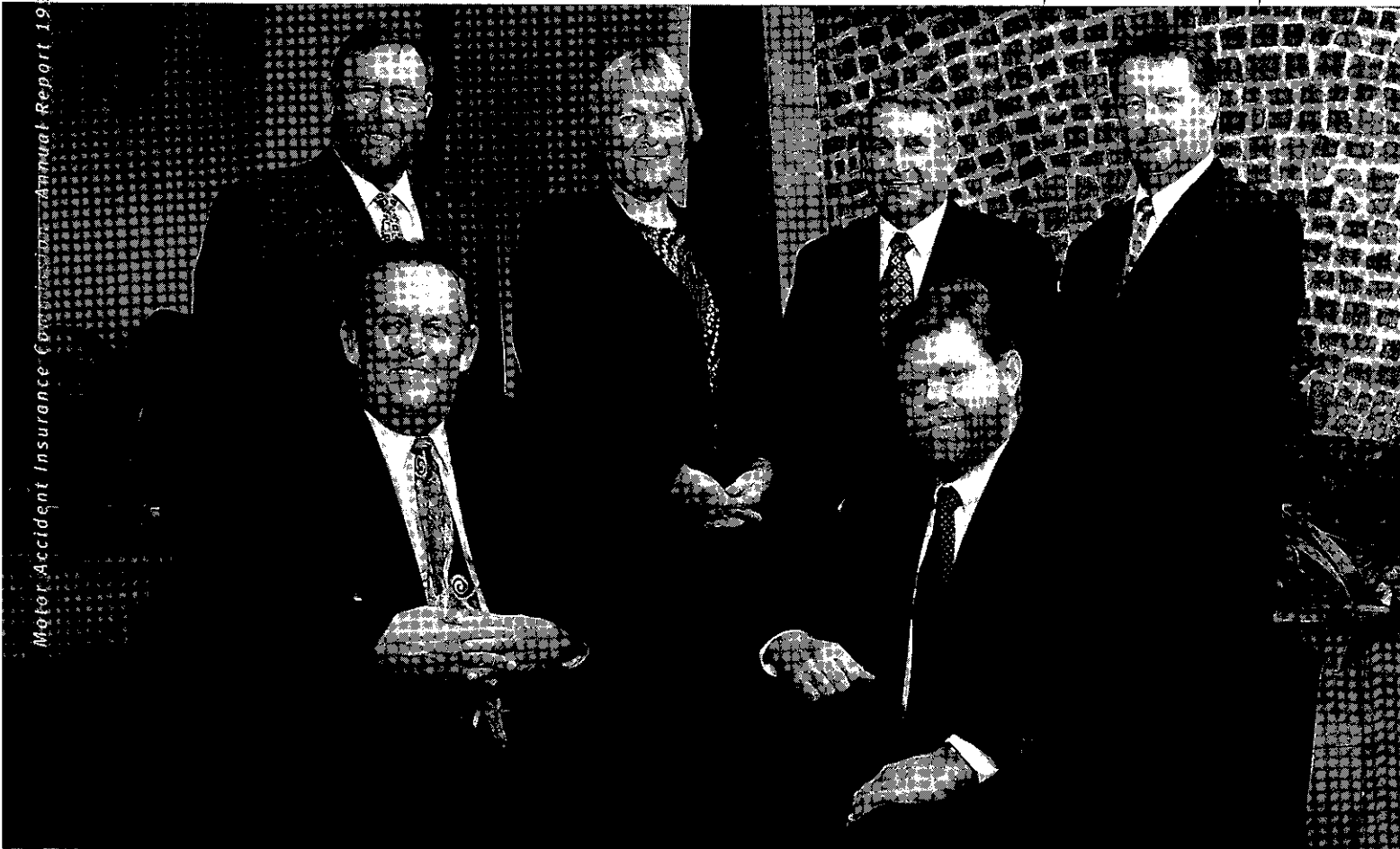
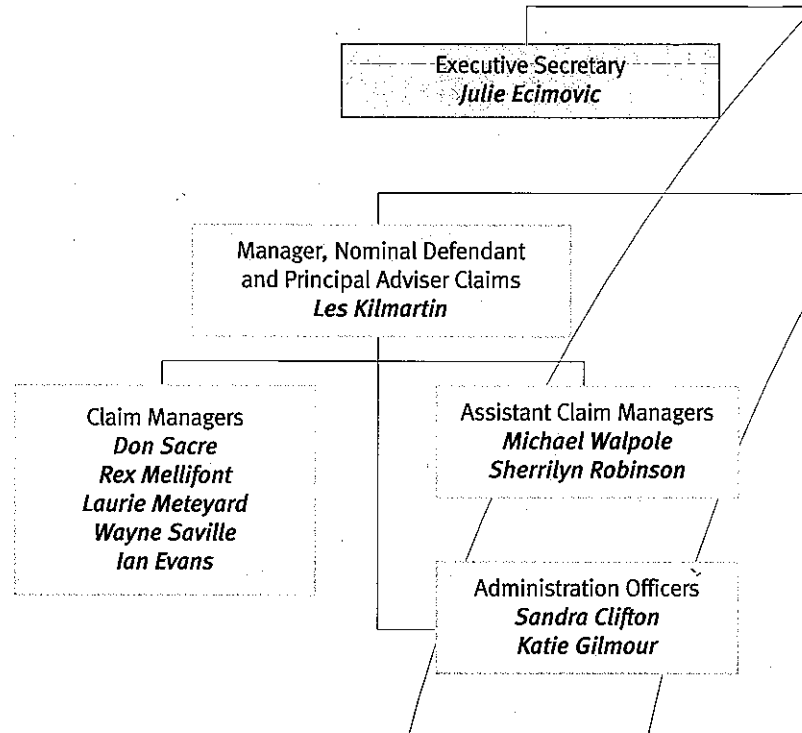
Appointed as Insurance Commissioner in November 1996. Previous experience Reserve Bank of Australia in Sydney and five years in Queensland Treasury providing broad level policy advice relating to financial institutions, superannuation, workers' compensation and compulsory third party.

Deputy Insurance Commissioner

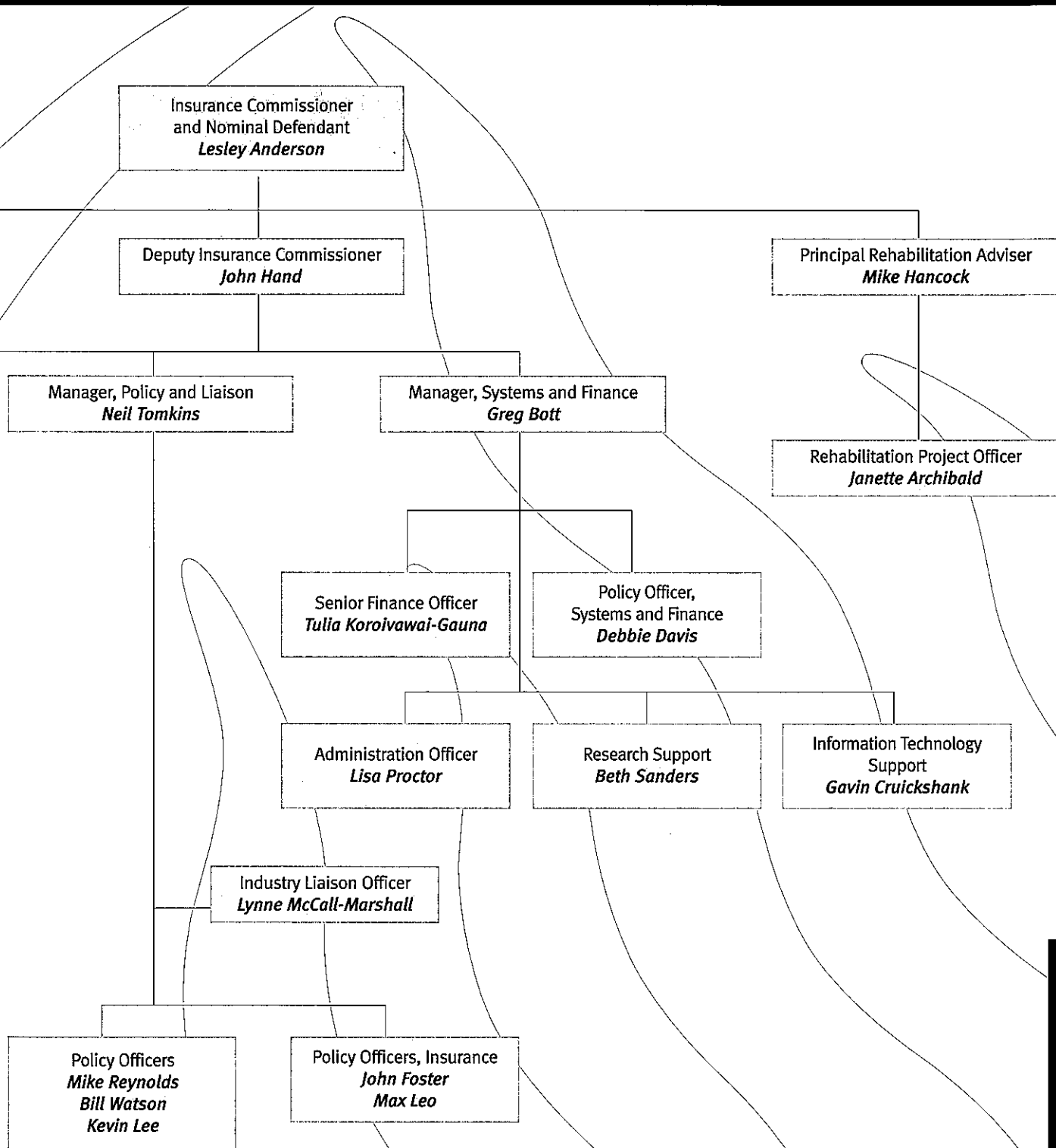
John Hand

AAII CIP

Appointed to the Commission in 1993. Responsibilities include the development of new legislation and supporting systems. Insurance career spanning over 30 years, predominantly in personal injury, encompassing high-level policy advice to government and management at senior levels.



Pictured from left to right: Mike Hancock (front), Neil Tomkins, Lesley Anderson, Les Kilmartin, John Hand, Greg Bott (front)



Principal Rehabilitation Adviser
Mike Hancock
BA.Grad Dip.Rehab.M.Hum.Svs
Appointed as Principal Rehabilitation Adviser in 1993. Extensive background in rehabilitation counselling and rehabilitation management both in the public and private sectors.

Manager, Systems and Finance
Greg Bott
B.Bus.(Accy) Grad Dip.App.Fin & Inv.
CPA ASIA
Appointed as Principal Policy Adviser in 1993. Accountancy background covering the chartered profession, commerce and industry and the public sector including over nine years experience in accident compensation insurance.

Manager, Policy and Liaison
Neil Tomkins
B.Bus.(Comm)
Appointed as Manager, Policy and Liaison in 1998. More than 30 years insurance experience in life and general insurance.

Manager, Nominal Defendant and Principal Adviser Claims
Les Kilmartin
Appointed as Manager, Nominal Defendant in 1995, having had 14 years experience as a claims manager and 15 years previous experience in various facets of general insurance.

strategic plan 2000 - 2005

Vision

Our vision is to lead the way in the provision of effective and efficient injury management and insurance schemes.

Mission

Our mission is to provide the most viable and equitable personal injury compensation scheme.

In pursuit of our mission we will provide and regulate, for Queensland, a CTP scheme encompassing injury control.

Values

We are committed to these fundamental principles:

- Leadership through commitment not control;
- Achieving success through service and teamwork; and
- Behaving with integrity and independence.

Key issues facing the Office

- Recommendations of the CTP scheme review;
- Premium affordability and overall stability of the scheme;
- Increasing community awareness of the scheme and its claims process;
- The need to maintain a fully funded Nominal Defendant scheme through policy and claims analyses; and
- Ensuring effective use of funding in the area of injury prevention and control.

Capability Priorities

Teamwork across the Treasury Portfolio to achieve optimal use and development of staff skills, flexible work practices and job satisfaction.

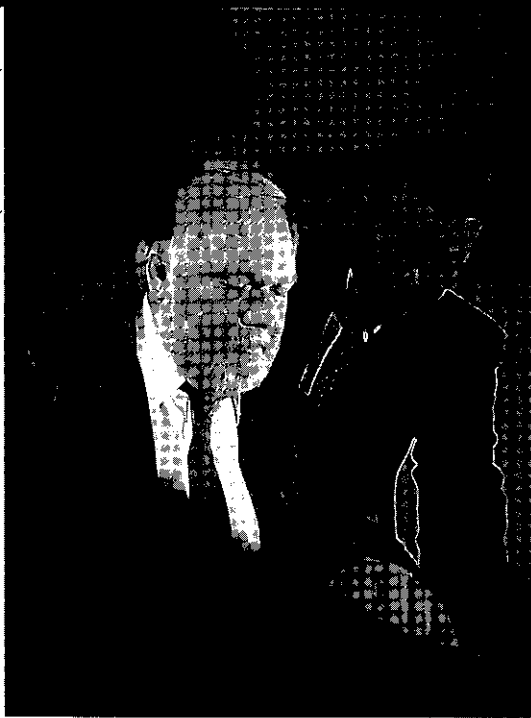
- Create a shared vision of the future within the office;
- Enhance staff skills in policy development and claims management;
- Further devolution of responsibility and delegations;
- Clearly define staff roles and responsibilities and implement Individual Performance System (IPS) to aid performance and staff development; and
- Develop and maintain strong relationships with relevant areas of Treasury Office.

Leading edge management practices

- Benchmarking CTP scheme performance against other State and Territory CTP schemes; and
- Proactive planning for external impacts.

Best use of the explicit and implicit knowledge base available to the portfolio by improving information and communication systems and practices.

- Review internal management communication processes; and
- Further develop statistical analysis resources.



Sandra Clifton, Michael Walpole and Kevin Lee

Strategic business priorities

- Introducing an affordability index which pegs annual CTP premiums at 45% of average weekly earnings.
- Developing the competitive premium determination process with quarterly filing of premiums.
- Achieving long-term targets for payments to injured parties as a percentage of premiums.
- Developing a claims enquiry centre and producing information packages for claimants.
- Ongoing audit of claims data and direct consultation with insurers on data.
- Monitoring and maintaining the funding plan for injury prevention and control initiatives.
- Interacting with stakeholders to achieve balance in the scheme.
- Maintaining insurance standards and scheme credibility through licensing, prudential supervision of insurers and monitoring insurer claims management compliance.
- Working with the legal and medical professions and the insurance industry to implement claims process reforms.
- Continually improving Nominal Defendant claim management strategies.

Motor accident insurance administration

– output statement

Output description

The Motor Accident Insurance Administration output provides policy advice and services concerned with regulatory frameworks and legislation related to the management of the CTP and Nominal Defendant schemes. The delivery of this output contributes to the Government's priorities and outcomes by:

- Providing an accessible system of justice and administrative services that protects rights and engenders community confidence in the law through the operation of an essentially unlimited common law scheme for claimants;
- Ensuring affordable premiums and a scheme with fully funded premiums, thereby contributing to social and fiscal responsibility;
- Providing licensing and prudential supervision of insurers and monitoring compliance with legislation to ensure that claims are managed in the prescribed manner; and
- Supporting improved personal and public safety and quality of life by funding selected accident prevention initiatives and selected research projects in the field of rehabilitation.

Beth Sanders and Gavin Cruickshank



Review of Performance

Recent Achievements – CTP Scheme

- Conduct and implementation of the review of the CTP scheme. The review examined scheme design, affordability and role of Government including National Competition Policy issues and involved an extensive consultative process with all major stakeholders on relevant and contentious scheme issues.
- Annual review of CTP premiums and the analysis of the impact of the GST on the premiums, with a recommendation to Government on the premiums to apply from 1 July 2000 to 30 September 2000.
- Ongoing monitoring to ensure the seven insurers participating in the scheme met licensing requirements and complied with their responsibilities under the legislation.
- Licence granted to NRMA Insurance Limited to commence operations on 1 April 2000.
- Establishment of new relationships with the Australian Prudential Regulation Authority (APRA) in relation to insurers' supervision and prudential standards.
- Ongoing forums and informal discussions with stakeholders.
- Continued improvement in the integrity of claims data provided by insurers to the claims register and statistical database, facilitating analysis of the scheme and determination of the premium rate.
- Monitored developments in claim costs through analysis of claims data and court precedents.
- Ongoing liaison with Queensland Transport on issues relating to premium collection, systems and operations and in particular in relation to GST and the competitive premium model.
- GST implementation successfully completed on all office systems.
- All systems were Year 2000 compliant at rollover date.
- All Queensland Treasury reporting requirements met.
- Number of disputes between insurers regarding claims costs and claim management resolved by a referee panel - one.
- Number of prosecution cases brought in relation to fraud - two.



Kevin Lee and Sandra Clifton



Sherri Robinson, Max Leo and Lynne McCall-Marshall

Recent Achievements – Nominal Defendant

- Regular reporting to the Insurance Commissioner on trends in claim lodgement and settlements.
- Annual review of outstanding claim liabilities conducted in conjunction with consulting actuaries.
- Nominal Defendant levy reviewed and set at 3.777% from 1 July 2000 to 30 September 2000, maintaining a fully funded Nominal Defendant operation.
- During the year 267 new Act claims and 33 old Act claims were finalised. 1092 new Act claims and 79 old Act claims remain active.
- Legislative time frames relating to Nominal Defendant claims management were met.
- Claims monitoring resulted in the notification of nine suspected fraudulent claims to the Commission.
- Increased focus on recoveries led to an increase in amounts recovered. Recovery action was concluded on 68 files during the year and recovery action is continuing on a further 227 files.
- Complete and accurate data supplied to the MAIC database within the required time frames.
- Ongoing advice provided to the Commission on technical aspects of the legislation as it relates to the Nominal Defendant function.
- Claim Management System (CMS) developments included amendments to incorporate the GST legislation.
- All systems were Year 2000 compliant at rollover date.



Lisa Proctor and Debbie Davis

Recent Achievements - Grants

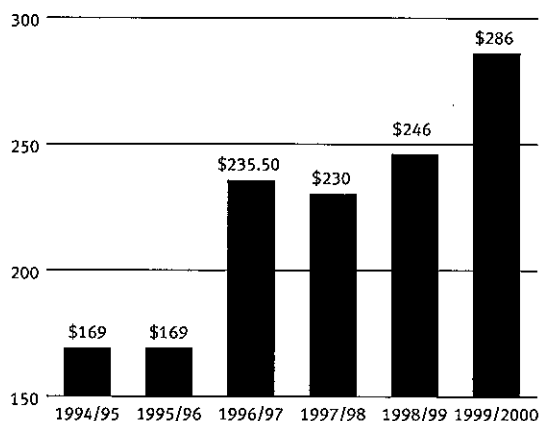
- Monitored compliance of recipients of MAIC funding grants with accountability requirements.
- Improved systems to select, monitor and evaluate research grants and projects.
- Ongoing liaison with Professor Mary Sheehan, Director of CARRS-Q at QUT and Professor Nick Bellamy, Director of CONROD and Chair of Rehabilitation Medicine at University of Queensland.
- Contribution made to Queensland Transport road safety media campaign and to Queensland Police for road safety enforcement initiatives.
- Contribution made to collaborative research project to trial alcohol ignition interlock devices as an intervention to reduce drink driving.
- Discussions held regarding NHMRC Health Research partnership proposal in injury control and co-operative research centre (CRC) proposal for Integrated Intelligent Transport Systems.
- Discussions with CONROD on a proposal for enhanced funding.
- Participation in competitive grant selection processes at CONROD and CARRS-Q.

review of the queensland compulsory third party scheme

In response to emerging issues in the scheme, a Review Committee was appointed by the Government on 22 April 1999 to examine the fundamentals of the Queensland Compulsory Third Party Insurance scheme including its design, affordability for the Queensland motorist and the appropriate role for Government. The Committee was also required to conduct a review of the *Motor Accident Insurance Act 1994* under the National Competition Policy Agreement.

The context of the announcement of the Review was a proposed large increase in the CTP premium effective 1 July 1999, the second large increase since 1994. The premium had risen from \$169 per class one vehicle to \$286 over that period. The underlying claim frequency over that time had risen from 3.1 claims per 1000 vehicles to 4.6 claims per 1000 vehicles. For many years the Queensland scheme had been one of the best value schemes in Australia, but the premium was rapidly escalating to a level considered beyond the acceptable range of affordability for motorists.

CTP Premiums



The Review Committee was chaired by Mr Bernard Rowley, former Suncorp Chief Executive, and the members were leading Brisbane personal injury lawyer Mr Wally Tutt, former Under Treasurer Mr Henry Smerdon and former RACQ Chief Executive Mr Noel Mason. The Commission provided secretariat and analytical support to the Committee.

In conducting the review, the Committee consulted widely with the community, the insurance industry, the legal, medical and allied health professions, motorist and motoring industry associations, relevant Government Departments as well as interstate and overseas CTP administrators and consultants. An Issues Paper was released in August 1999 and a Draft Report in October 1999.

The Committee submitted its report "Review of Queensland Compulsory Third Party Insurance Scheme" to the Government in November 1999. Full details of the review and recommendations can be found in that report which is available from the Commission or on the MAIC website. The Government fully endorsed the report and amendments have been made to the *Motor Accident Insurance Act 1994* to give effect to the Committee's recommendations effective from 1 October 2000.

The Committee's view was that the philosophy of any scheme should embrace three broad objectives:

- a) provide access for persons injured in a motor vehicle accident to appropriate medical, rehabilitation and future care needs such that the opportunity is available for all injured persons to return, as close as possible, to their pre-accident condition, having regard for any longer term constraints imposed by the injuries suffered.
- b) ensure that the motoring public has access to affordable insurance arrangements which will result in indemnification of any liability for personal injury claims arising from a motor vehicle accident.
- c) provide opportunities for persons who have suffered personal injuries in motor vehicle accidents to pursue compensation against negligent owners/drivers for other than medical, rehabilitation and future care costs, with a minimum of litigation costs.

The efficacy of any scheme is judged by how well it meets these objectives. The Committee acknowledged that achieving an appropriate balance between affordability on the one hand and the needs of injured persons on the other will never be an easy task as an increase in (a) or (c) inevitably means a decrease in affordability.

In its conclusions the Committee found that while there were emerging pressures and issues which needed to be addressed, the scheme was basically sound. The Committee considered that its recommendations were not overly radical and still preserved the essential elements and that the recommendations could be implemented without threatening the stability of the scheme. The benefits of unrestricted common law were essentially retained for now and competition would be enhanced by the recommendations.

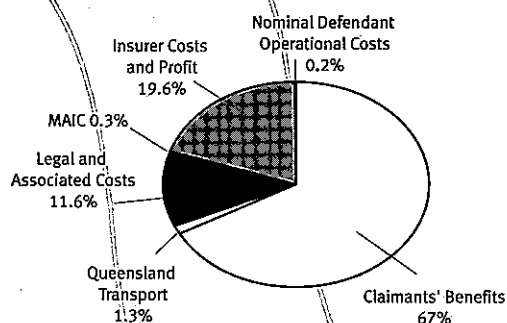
Several high-level system criteria or benchmarks have been developed against which the scheme's performance can be measured and monitored in the years ahead. These criteria relate to scheme affordability and scheme efficiency.

Maintaining affordability for the majority of the motoring public is crucial to the long-term viability of the scheme. The ownership of motor vehicles extends widely through our community and the cost of CTP needs to be appropriate but restrained so as not to become an undue burden on those on lower and fixed incomes. Affordability is also a key in maintaining a high proportion of insured and registered vehicles, without which the scheme itself would fail or be seriously compromised.

The inclusion of an affordability index in the Act means that if the insurers' proposed CTP premiums are likely to result in the prescribed affordability upper limit being exceeded, the Commission will be required to prepare a report to the Minister. The report is to cover the effects of current trends on the affordability of CTP insurance and make recommendations such as changes to level of benefits or delivery processes to counter undesirable trends. The affordability index upper limit is set at 45% of average weekly earnings measured over a twelve month period.

The Committee was particularly concerned at the impact the cost of delivery of benefits to injured parties has on the affordability and efficiency of the scheme. Delivery costs include legal and associated costs, insurer expense and profit allowances and administrative levies. In the 1999/2000 CTP premium, the proportion of premium payable to injured parties (the efficiency index) was assessed at 67 per cent, with the corresponding cost of delivery assessed at 33 per cent. Of this latter amount, legal and associated costs accounted for 11.6 per cent and insurer costs/profit for 19.6 per cent. The recommendations of the review are intended to address both of these components. The aim is to increase this efficiency index to 75%.

Premium Dollar Distribution



The competitive premium model (referred to as the Vehicle Class Filing Model) provides for competitive premium filing by licensed insurers within floor and ceiling premiums set by the Commission. The benefits of this model will include sharper premium pricing, an incentive for more efficient practices by insurers and delivery of other benefits to consumers including greater choice, at-fault cover extension and relationship marketing benefits.

The efficiency and convenience of the linkage of CTP with the Queensland Transport registration system has been preserved in this model. Combined with the affordability index, the proposed competitive premium setting process will allow the market to act with minimal direct Government control.

While recognising that the legal profession has a valuable role to play in a common law scheme, the Committee considered it crucial to the scheme's viability to contain legal costs, especially in relation to low end claims where the legal costs are often disproportionate relative to the value of the claim. The reforms include a streamlining of processes in relation to claims through initiatives such as a simpler claim form, encouragement for joint medico legal reporting and compulsory pre-proceedings conferences. The payment of legal costs by the insurer on claims below \$50,000 has been abolished or made subject to a limit, unless the insurer's final offer is bettered by the claimant in the court in which case the costs relating to the proceedings will be met by the insurer. Claimants will be able to obtain information about the process from a CTP Claims Help Line operated by the Commission; the service will not be providing legal advice. The CTP Claims Help Line number is 1300 302 568 and is accessible from anywhere in Australia for the cost of a local call.

Rehabilitation is a principal feature of the *Motor Accident Insurance Act 1994*. An important feature of a successful rehabilitation outcome is generally early intervention. The Review Committee recommended the adoption of strategies within the existing framework which make the claims process more accessible to claimants and promote a balance between successful rehabilitation outcomes for claimants and cost containment within the scheme. The reforms include the provision of a medical certificate with the claim form, and early lodgement of this form, so that the insurer can make a timely decision on the provision of funded rehabilitation for the claimant as soon as possible after the accident.

The Committee considered it necessary at this stage to make some minor changes to benefits. These are as follows – payment for economic loss per week capped at 3 times average weekly earnings, a threshold of \$30,000 in damages for the payment of loss of consortium/servitium and a code to guide the payment of gratuitous care allowances. Future benefit changes are likely if the affordability index is breached on account of further escalation in claims frequency and/or average payments made on claims.

In summary, the amendments to Queensland's CTP scheme are designed to maintain its affordability for the motorist, minimise its cost of delivery and make it more effective in providing appropriate treatment and compensation to motor vehicle accident victims who have been injured through fault, with the priority given to those who are moderately or seriously injured.



Ian Evans, Rex Mellifont, Les Kilmartin and Julie Ecimovic

queensland compulsory third party scheme

statistical information 1999–2000

Vehicles Insured as at 30 June 2000

Insurance Class	Number of Vehicles	Percentage	Premium from 1/7/00*
1	1,727,208	72.25	\$286
2	5,072	0.21	\$286
3	2,512	0.11	\$1,859
4	15,390	0.64	\$972
5	5,472	0.23	\$25
6	405,788	16.97	\$286
7	48,393	2.02	\$858
8	5,619	0.24	\$286
9	2,742	0.11	\$286
10	3,544	0.15	a
11	3,792	0.16	b
12	30,273	1.27	\$80
13	42,812	1.79	\$286
14	28,445	1.19	\$80
15	10,038	0.42	\$80
16	732	0.03	\$286
17	48,385	2.02	\$129
19	548	0.02	\$25
20	107	0.00	\$25
21	6	0.00	
22	—	—	c
23	3,838	0.16	\$286
24	28	0.00	\$286
Totals	2,390,744	100	

a \$308 + \$30 per adult passenger seat in excess of 7

b \$308 + \$53 per adult passenger seat in excess of 7

c \$25 + \$1 for each day of the term of the permit

* Premiums include GST.

Insurers file individual premiums from 1 October 2000.

Market Share – Licensed Insurers – Premium Basis

Insurer	30/6/97	30/6/98	30/6/99	30/6/00
Suncorp Metway	57.53	58.40	58.07	56.03
FAI	25.56	25.39	24.88	23.74
QBE	0.42	3.61	6.31	5.97
AAMI	4.06	4.61	5.12	5.22
Allianz (formerly MMI)	4.15	4.25	4.79	5.12
RACQ-GIO (Licenced from 15 February 1999)			0.38	3.86
NRMA (Licenced from 1 April 2000)				0.05

**Premium, Levy and Fee Collection
1 July 1999 to 30 June 2000**

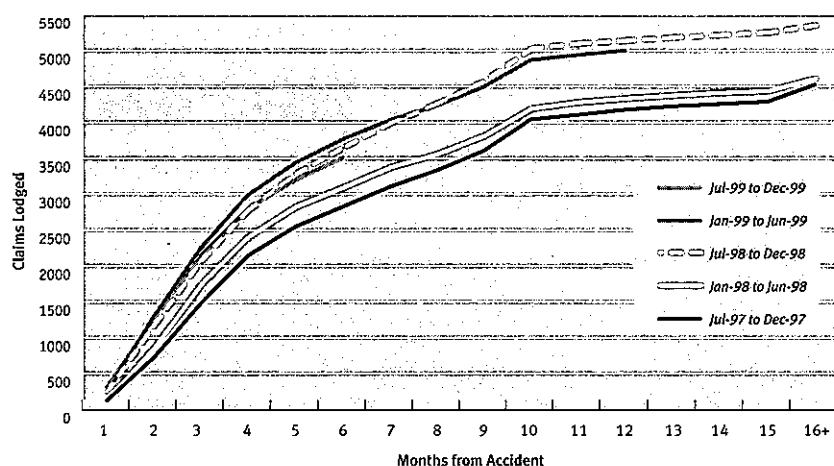
	Dollars (\$'000)
Gross Premium	699,317
Hospital Levy	(9,828)
Emergency Services Levy	(1,997)
Department of Transport Fee	(8,895)
Nominal Defendant Levy	(28,933)
MAIC (Statutory Insurance Scheme) Levy	(2,371)
Net Premium	647,291

Notice of Claim Lodgements**(All Insurers) Accidents 1 July 1995 to 30 June 2000**

Injury Quarter	Development Quarter												Total
	1	2	3	4	5	6	7	8	9	10	11	12+	
Jul 95 – Sep 95	660	496	677	203	54	42	34	14	19	14	9	43	2,265
Oct 95 – Dec 95	555	591	665	191	45	30	23	9	11	9	11	32	2,172
Jan 96 – Mar 96	695	562	604	146	40	20	12	15	10	14	10	34	2,162
Apr 96 – Jun 96	783	517	510	225	44	22	21	7	16	15	16	36	2,212
Jul 96 – Sep 96	839	544	522	139	75	22	14	14	23	18	26	29	2,265
Oct 96 – Dec 96	743	604	550	140	34	25	21	23	7	15	23	27	2,212
Jan 97 – Mar 97	754	570	518	102	45	35	14	16	25	19	12	18	2,128
Apr 97 – Jun 97	912	555	411	128	44	31	14	20	18	7	9	14	2,163
Jul 97 – Sep 97	941	539	460	138	54	19	25	25	18	19	11	5	2,254
Oct 97 – Dec 97	904	614	482	131	47	31	18	19	14	15	3		2,278
Jan 98 – Mar 98	945	540	404	124	38	25	27	9	11	1			2,124
Apr 98 – Jun 98	1,186	587	406	167	54	41	19	23	2				2,485
Jul 98 – Sep 98	1,202	630	560	134	50	24	21	14					2,635
Oct 98 – Dec 98	1,312	702	526	103	45	22	4						2,714
Jan 99 – Mar 99	1,369	617	463	125	40	8							2,622
Apr 99 – Jun 99	1,337	614	347	153	9								2,460
Jul 99 – Sep 99^	1,249	539	450	70									2,308
Oct 99 – Dec 99^	1,272	584	112										1,968
Jan 00 – Mar 00^	1,091	192											1,283
Apr 00 – Jun 00^	351												351

^ Accident quarter data from July 99 is still immature

Cumulative Claim Lodgements by Accident Period
Data as at 30 June 2000



Claim Status

Accident Period	1 September 1994 30 June 1995			1 July 1995 30 June 1996			1 July 1996 30 June 1997		
	Claims Received	Liability Determined (%)	Finalised Claims (%)	Claims Received	Liability Determined (%)	Finalised Claims (%)	Claims Received	Liability Determined (%)	Finalised Claims (%)
<i>Suncorp Metway</i>	3,784	99	95	4,688	99	90	4,747	99	87
<i>FAI</i>	1,895	99	93	2,271	99	90	2,112	99	80
<i>QBE</i>	2	100	100	14	100	100	30	97	80
<i>AAMI</i>	152	100	92	227	100	89	286	100	86
<i>Allianz^</i>	282	95	93	435	86	91	439	92	82
<i>RACQ-GIO</i>									
<i>NRMA</i>									
<i>Fortis~</i>	465	97	96	548	95	90	617	89	84
<i>CIC</i>	5	60	100	8	63	100			
<i>Com. Union</i>	111	100	89	129	100	77	127	98	76
<i>GIO</i>	15	100	100	30	97	97	15	100	87
<i>Merc Mutual</i>	74	100	92	94	99	83	62	100	77
<i>Zurich</i>	5	100	100	10	70	80	23	35	91
<i>Nom. Defend.</i>	260	100	88	357	99	83	310	100	79
TOTAL	7,050	99	94	8,811	98	89	8,768	98	84

N.B. The column for 1999–2000 claims is incomplete due to claim reporting timeframes.

^ Formerly MMI

~ Formerly VACC

1 July 1997 30 June 1998			1 July 1998 30 June 1999			1 July 1999 30 June 2000			Accident Period
Claims Received	Liability Determined (%)	Finalised Claims (%)	Claims Received	Liability Determined (%)	Finalised Claims (%)	Claims Received	Liability Determined (%)	Finalised Claims (%)	
5,151	99	74	5,804	98	51	3,116	79	17	<i>Suncorp Metway</i>
2,169	99	65	2,507	97	43	1,437	73	11	<i>FAI</i>
310	92	65	683	94	46	386	66	15	<i>QBE</i>
319	100	76	443	94	43	322	88	9	<i>AAMI</i>
478	91	60	633	91	43	321	64	12	<i>Allianz^</i>
			11	91	9	125	64	4	<i>RACQ-GIO</i>
									<i>NRMA</i>
331	89	77	33	91	58				<i>Fortis~</i>
									<i>CIC</i>
16	100	69							<i>Com. Union</i>
									<i>GIO</i>
3	100	100							<i>Merc Mutual</i>
24	4	75	2	0	50				<i>Zurich</i>
340	89	77	315	94	35	203	52	13	<i>Nom. Defend.</i>
9,141	98	71	10,431	97	47	5,910	75	14	<i>TOTAL</i>

Claim Payments on Finalised Claims
(Payments 1 September 1994 to 30 June 2000)

(\$'000)									
Code	A1	C1	E1	E2	G1	H1	L1	L2	L4
Payment Type	Aids & Appliances	Long term care and home care	Economic Loss - past	Economic Loss - future	General Damages	Home and vehicle modifications	Investigation costs	Legal costs - plaintiffs	Legal costs - defendants (solicitors)
Accident Period Ending 30 June 1995									
Payment	957	17,525	22,103	46,150	88,550	566	2,276	21,509	8,421
Proportion of Total	0.4%	7.7%	9.7%	20.2%	38.8%	0.2%	1.0%	9.4%	3.7%
Accident Year Ending 30 June 1996									
Payment	424	18,675	22,581	48,408	93,806	643	2,244	24,363	8,528
Proportion of Total	0.2%	7.7%	9.4%	20.1%	38.9%	0.3%	0.9%	10.1%	3.5%
Accident Year Ending 30 June 1997									
Payment	706	11,582	14,744	38,056	80,426	607	1,931	20,077	5,542
Proportion of Total	0.4%	6.1%	7.8%	20.0%	42.3%	0.3%	1.0%	10.6%	2.9%
Accident Year Ending 30 June 1998									
Payment	371	5,838	8,830	23,161	62,128	184	1,398	15,369	3,541
Proportion of Total	0.3%	4.4%	6.7%	17.6%	47.3%	0.1%	1.1%	11.7%	2.7%
Accident Year Ending 30 June 1999									
Payment	36	2,119	3,393	8,464	37,586	1	609	9,023	1,117
Proportion of Total	0.1%	3.2%	5.1%	12.6%	56.0%	0.0%	0.9%	13.4%	1.7%
Accident Year Ending 30 June 2000									
Payment		126	274	308	3,642		50	903	33
Proportion of Total		2.2%	4.7%	5.3%	62.9%		0.9%	15.6%	0.6%

N.B. This table illustrates the 'long tail' nature of CTP insurance. Premium collected by insurers in any one financial year may take a number of years to distribute to claimants as compensation. The dissection of claim payment types will also change as the largest value claims are finalised. In addition to the payments made on finalised claims shown in this table, insurers have also made significant payments on claims that are still open.

L5	L6	M1	N1	P1	R1	V1	V2	V3	Total
<i>Legal costs - defendants (barristers)</i>	<i>Legal costs - defendants (other outlays)</i>	<i>Hospital, medical, pharmaceutical</i>	<i>Payments to interstate & non CTP insurers</i>	<i>Other</i>	<i>Rehabilitation service costs</i>	<i>Recoveries from insured</i>	<i>Other party (other than through sharing)</i>	<i>Nominal Defendant recovery</i>	<i>Total</i>
941	1,349	14,907	406	2,555	1,684		-1,883	-24	227,991
0.4%	0.6%	6.5%	0.2%	1.1%	0.7%		-0.8%	0.0%	
667	1,298	16,175	245	2,507	1,983	-6	-1,180	-23	241,338
0.3%	0.5%	6.7%	0.1%	1.0%	0.8%	0.0%	-0.5%	0.0%	
296	694	13,081	43	1,879	1,045	-9	-599	-68	190,032
0.2%	0.4%	6.9%	0.0%	1.0%	0.5%	0.0%	-0.3%	0.0%	
204	409	8,152	6	1,323	888	-23	-429	-42	131,308
0.2%	0.3%	6.2%	0.0%	1.0%	0.7%	0.0%	-0.3%	0.0%	
22	102	3,769		490	614		-176	-2	67,167
0.0%	0.2%	5.6%		0.7%	0.9%		-0.3%	0.0%	
	2	317		74	72		-10		5,792
	0.0%	5.5%		1.3%	1.2%		-0.2%		

**Number of Accidents by Postcode Division
1 September 1994 to 30 June 2000**

Location	Postcode	Number of Accidents
Brisbane City	4000 – 4072	7,263
	4500 – 4549	1,586
	4073 – 4209	9,865
Gold Coast Region	4210 – 4299	5,566
Ipswich Region	4300 – 4349	1,684
Toowoomba Region	4350 – 4499	1,521
	4602 – 4618	126
Sunshine Coast Region	4550 – 4601	112
	4619 – 4689	2,430
Rockhampton Region	4690 – 4736	1,632
Mackay Region	4737 – 4805	802
Townsville Region	4806 – 4824	1,094
	4835 – 4850	1,170
Mt Isa Region	4825 – 4834	80
Cairns Region	4851 – 4899	1,645
Total		36,576

**Age Group of Claimants
1 September 1994 to 30 June 2000**

Age Group	Male	Female	Unknown	Total	Percentage
Unknown	108	114	81	303	0.6%
0 - 5 years	452	425	2	879	1.8%
6 - 15 years	1,288	1,278	4	2,570	5.1%
16 - 25 years	6,205	6,994	21	13,220	26.4%
26 - 35 years	5,815	5,975	17	11,807	23.6%
36 - 45 years	4,213	4,639	4	8,856	17.7%
46 - 55 years	2,906	3,371	29	6,306	12.6%
56 - 65 years	1,551	1,791	3	3,345	6.7%
66+	1,162	1,659	4	2,825	5.6%
	23,700	26,246	165	50,111	100.0%

NB The average number of claims per accident is 1.37



financial information

1999–2000

financials 1999–2000

Motor Accident Insurance Commission

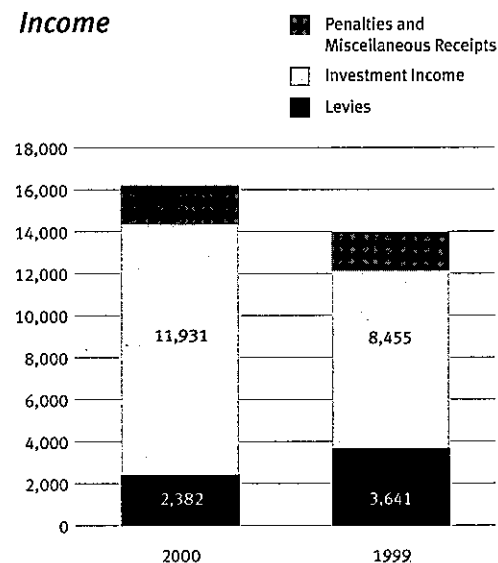
On the revenue side, with the reduction of the annual levy from an average of \$1.55 per vehicle to an average of \$1 per vehicle there was a 35% decrease in levy income. Investment income increased from \$8.45 million to \$11.93 million, mainly as a result of an increase in the rate of return. Revenue from penalties remained at a consistent level relative to the previous financial year.

The expenses of the Commission were higher this financial year as a consequence of the CTP Review. In addition to committee member's remuneration, there were specialist consultancies undertaken and extra staff employed in the Commission to perform the necessary analyses and preparation of the Issues Paper and the Review Report. A further significant expenditure item was a payment of \$1.29 million to Queensland Transport for system development costs associated with the introduction of the Goods and Services Tax (GST) and the competitive premium model.

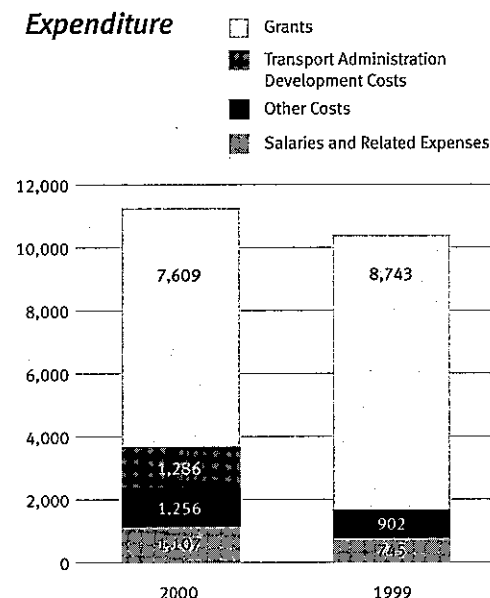
Expenditure on grants was \$7.61 million compared to \$8.74 million in the previous financial year. Details of grant funding are provided in Appendix Three.

The resultant operating profit for the Commission for the year ended 30 June 2000 increased by 39% to \$4.91 million. An amount of \$21.75 million is set aside in reserves to meet anticipated future funding of accident prevention and rehabilitation grants.

Income



Expenditure



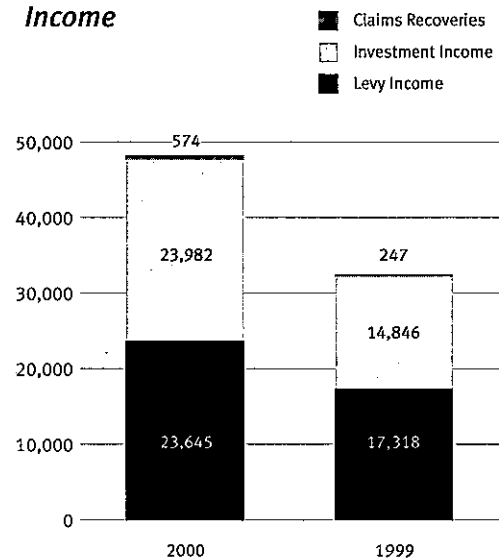
The Nominal Defendant

The operating surplus of the Nominal Defendant was \$17.99 million for the year ended 30 June 2000 compared to the prior year's operating loss of \$6.39 million. A number of factors contributed to this improved result – an increase in the levy rate, a higher rate of return on investments and a favourable re-assessment of the actuarial assumptions underpinning the estimated claims provisions. Payments on claims and associated costs during the financial year were \$19.02 million compared to \$15.86 million in the previous year, but the increase in provisions for outstanding claims was only \$10.09 million compared to \$21.84 million last year. Recoveries in relation to claims increased to \$0.6 million for the year. Other underwriting expenses including salaries and related expenses remained unchanged relative to the previous year.

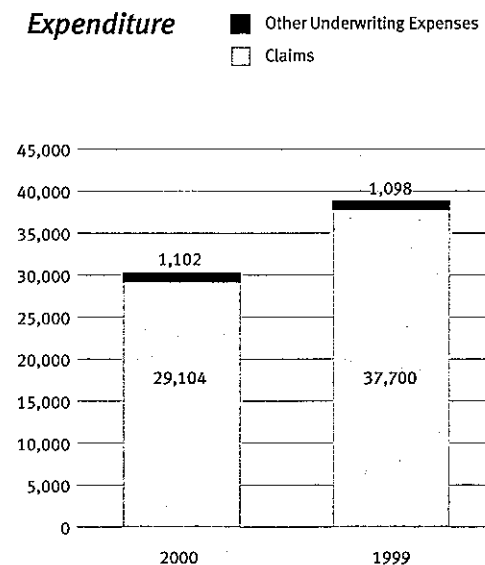
Income from the levy was \$23.65 million for the year, which represents an increase on the previous year of 36% reflecting the increase in the levy rate from 3.16% to 4.16% effective 1 July 1999. Investment income of \$23.98 million was achieved through higher investment returns.

The Nominal Defendant scheme remains fully funded with net assets of \$18.39 million after allowing for outstanding claim provisions of \$158 million in accordance with the actuarial assessment undertaken by Trowbridge Consulting.

Income



Expenditure



PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
OPERATING REVENUES			
Levies	2	2,382	3,641
Investment income		11,931	8,455
Penalties & miscellaneous receipts		1,850	1,824
Total operating revenue		16,163	13,920
OPERATING EXPENSES			
Grants		7,609	8,743
Salaries and related expenses	3	1,107	745
Depreciation	14	37	51
Computer facilities management fee		280	297
Marketing and advertising		18	8
Other		2,207	546
Total operating expenses		11,258	10,390
OPERATING PROFIT		4,905	3,530
Retained profits at the beginning of the financial year		5,362	3,882
Aggregate of amounts transferred from reserves	9	8,483	7,784
Aggregate of amounts transferred to reserves	9	(8,805)	(9,834)
Queensland Treasury adjustments		12	-
Transfer of long service leave	1(g)	112	-
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		10,069	5,362

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
CURRENT ASSETS			
Cash		(327)	103
Receivables	4	12,032	8,560
Investments	5	9,020	6,691
Prepayments		32	20
Total current assets		<u>20,757</u>	<u>15,374</u>
NON-CURRENT ASSETS			
Receivables	4	1,050	1,050
Property, plant and equipment	6	62	70
Investments	5	68,318	68,318
Total non-current assets		<u>69,430</u>	<u>69,438</u>
Total assets		<u>90,187</u>	<u>84,812</u>
CURRENT LIABILITIES			
Creditors		518	81
Provisions	7	68	58
Total current liabilities		<u>586</u>	<u>139</u>
NON-CURRENT LIABILITIES			
Provisions	7	-	101
Total non-current liabilities		<u>-</u>	<u>101</u>
Total liabilities		<u>586</u>	<u>240</u>
NET ASSETS		<u>89,601</u>	<u>84,572</u>
EQUITY			
Capital	8	57,787	57,787
Reserves	9	21,745	21,423
Retained profits		<u>10,069</u>	<u>5,362</u>
TOTAL EQUITY		<u>89,601</u>	<u>84,572</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Levies		2,382	3,641
Investment income		8,444	8,376
Penalties & miscellaneous receipts		1,867	1,824
Outflows:			
Grants		(7,609)	(8,743)
Salaries and related expenses		(1,080)	(747)
Computer facilities management fee		(280)	(297)
Marketing and advertising		(18)	(8)
Other		(1,777)	(496)
Net cash provided by operating activities	15(ii)	1,929	3,550
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows:			
Purchase of property, plant and equipment		(30)	(61)
Purchase of investments		0	(3,751)
Net cash used in investing activities		(30)	(3,812)
NET (DECREASE)/INCREASE IN CASH HELD		1,899	(262)
Cash at the beginning of the financial year		6,794	7,056
CASH AT THE END OF THE FINANCIAL YEAR	15(i)	8,693	6,794

The accompanying notes form part of these financial statements.

NOTE 1 Statement of Significant Accounting Policies

(a) Background

The Motor Accident Insurance Commission, established on 1 September 1994 under the provisions of the *Motor Accident Insurance Act 1994*, is constituted as a body corporate under that Act. The Insurance Commissioner constitutes the Commission.

(b) Basis of Preparation

These financial statements have been prepared as general purpose financial statements in accordance with the requirements of the *Financial Administration and Audit Act 1977* and applicable Australian Accounting Standards and Concepts. Excepting for property, plant and equipment, the financial statements have been prepared on the basis of net market values. Property, plant and equipment have been valued at deprival values.

In preparing the financial statements the accounting policies adopted are consistent with those of the previous year. Some prior year figures have been recast, where appropriate, to enhance comparability.

Amounts shown have been rounded to the nearest thousand dollars.

(c) Property, Plant & Equipment

In order to comply with the policy document *Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector*, issued by Queensland Treasury, items of property, plant and equipment have been recorded at their deprival value. The most appropriate basis, as determined by management, on which to arrive at deprival values for property, plant and equipment is to record assets at cost and then apply an appropriate depreciation rate.

The threshold for the recording of property, plant and equipment assets is \$2,000.

The revaluation threshold is \$200,000. Items of property, plant and equipment having a gross value greater than the revaluation threshold and an estimated life of more than three years are required to be revalued.

(d) Depreciation

Depreciation is calculated on a straight-line basis, to write off the net cost of each depreciable asset, progressively over its expected useful life.

The expected useful lives are as follows:

Plant & Equipment	3 years
Furniture & Fittings	5 years
Computer Software	5 years

(e) Funding of Motor Accident Insurance Fund

Funding is by way of levies paid by licensed Compulsory Third Party insurers pursuant to section 28 of the *Motor Accident Insurance Act 1994* based on the gross premiums collected for Compulsory Third Party motor vehicle insurance policies; interest on investments; and penalties imposed for offences under the Act.

(f) Investments

All funds not required for the day to day management of the Motor Accident Insurance Commission are invested with the Queensland Investment Corporation Investment Trust and are recorded in these accounts at net market value.

NOTE 1 Statement of Significant Accounting Policies (continued)

(g) *Employee Leave Entitlements*

(1) *Wages, Salaries, Annual Leave and Sick Leave*

Liabilities for wages, salaries and annual leave are recognised and are measured as the amount unpaid at 30 June 2000 at current pay rates in respect of employees' services up to that date. No provision has been made for sick leave, as these entitlements do not vest in the employee.

Due to its nature annual leave has been classified as a current liability.

(2) *Long Service Leave*

In 1999-2000, a new long service leave scheme became operative whereby a levy is made on the departments to cover this expense and amounts paid to employees for long service leave are claimed from the scheme as a reimbursement. The balance of the provision for long service that existed at 30 June 1999 has been adjusted against retained profits as at the commencement of the current reporting period.

(h) *Superannuation*

The Motor Accident Insurance Commission contributes to superannuation funds for the purpose of providing benefits for employees and their dependants on retirement, disability or death, and meets or exceeds the requirements of the Superannuation Guarantee Levy. No liability is shown for superannuation in the financial statements as the liability is assumed by QSuper.

(i) *Contingent Assets and Liabilities*

Under section 106(4) of the *Motor Accident Insurance Act 1994*, if the balance transferred from the Motor Vehicle Insurance Nominal Defendant Fund to the Nominal Defendant Fund on 31 August 1994 proves insufficient to meet the liabilities of the Nominal Defendant arising prior to the commencement of this Act, the Commission must meet the deficiency. However, total payments are limited to the amount originally transferred to the Motor Accident Insurance Fund under section 106(3)(b) of the Act.

There were no other known contingent assets and liabilities of the Commission at 30 June 2000.

(j) *Levy Collection and Contribution*

In accordance with Section 9 of the Motor Accident Insurance Regulation 1994 levies are recognised as revenue at the time they are legally due to be paid by the insurers to the Commission.

In order to comply with the provisions of Australian Accounting Standard AAS29 *Financial Reporting by Government Departments*, levies collected on behalf of Queensland Department of Health and the Department of Emergency Services during the current year have not been included as revenue in the Profit and Loss Statement. Similarly, contributions made to Queensland Department of Health and the Department of Emergency Services have not been included as expenses.

Details on the levies collected on behalf of and distributed to Queensland Department of Health and the Department of Emergency Services is provided in Note 13.

(k) *Leases*

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
NOTE 2	Levies		
	Levies - comprise amounts required to be paid by licensed CTP insurers on gross insurance premiums		
	Statutory insurance scheme levy	2,382	3,641
	Total	<u>2,382</u>	<u>3,641</u>
NOTE 3	Salaries and Related Expense		
	Salaries and wages	821	566
	Superannuation	98	69
	Long service leave expense	11	(7)
	Recreation leave expense	85	40
	Other related expenses	92	77
	Total	<u>1,107</u>	<u>745</u>
NOTE 4	Receivables		
	<i>Current</i>		
	Accrued investment income	11,916	8,429
	Penalties receivable	114	131
	Other receivables	2	-
	Total	<u>12,032</u>	<u>8,560</u>
	<i>Non-Current</i>		
	Loan receivable	1,050	1,050
	Total	<u>1,050</u>	<u>1,050</u>
NOTE 5	Investments		
	At net market value		
	<i>Current</i>		
	Queensland Investment Corporation	9,020	6,691
	<i>Non-Current</i>		
	Queensland Investment Corporation	68,318	68,318
	Total	<u>77,338</u>	<u>75,009</u>
NOTE 6	Property, Plant and Equipment		
	Property, Plant and Equipment - at cost	391	385
	Accumulated depreciation	(329)	(315)
	Total	<u>62</u>	<u>70</u>
	As represented by:		
	Plant, Equipment and Fittings- at cost	236	224
	Accumulated depreciation	(174)	(154)
	Total	<u>62</u>	<u>70</u>
	Computer Software - at cost	155	160
	Accumulated depreciation	(155)	(160)
	Total	<u>0</u>	<u>0</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
NOTE 7	Provisions		
<i>Current</i>			
Employee entitlements	1(g)	68	58
<i>Non-current</i>			
Employee entitlements	1(g)	-	101
Total		<u>68</u>	<u>159</u>
NOTE 8	Capital		
Assets and liabilities transferred on establishment of the Motor Accident Insurance Commission on 1 September 1994 from:			
Nominal Defendant (Queensland)		57,818	57,818
Consolidated fund		(31)	(31)
Total capital	1(i)	<u>57,787</u>	<u>57,787</u>
NOTE 9	Reserves		
<i>Composition and movements:</i>			
<i>Income Maintenance</i>			
Balance at end of year		10,500	10,500
<i>Accident Prevention Initiatives:</i>			
Balance at beginning of year		2,978	2,932
Transfer to retained profits		(1,978)	(2,632)
Transfer from retained profits		<u>2,076</u>	<u>2,678</u>
Balance at end of year		<u>3,076</u>	<u>2,978</u>
<i>Rehabilitation Initiatives:</i>			
Balance at beginning of year		7,195	5,704
Transfer to retained profits		(6,505)	(4,915)
Transfer from retained profits		<u>6,629</u>	<u>6,406</u>
Balance at end of year		<u>7,319</u>	<u>7,195</u>
<i>Emergency Infrastructure:</i>			
Balance at beginning of year		750	237
Transfer to retained profits		0	(237)
Transfer from retained profits		<u>100</u>	<u>750</u>
Balance at end of year		<u>850</u>	<u>750</u>
Total Reserves		<u>21,745</u>	<u>21,423</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
NOTE 10	Auditor's Remuneration		
	Remuneration received or due and receivable by the Auditor-General of Queensland for external audit services	9	6
NOTE 11	Commitments for Expenditure		
	<i>(a) Maintenance Contract Commitment</i>		
	Total expenditure contracted for at balance date but not provided for in the accounts:		
	Due not later than one year	197	99
	Due later than one year but not later than five years	-	-
	Total	197	99
	<i>(b) Operating Lease Rental Commitments</i>		
	Future operating lease rentals not provided for in the financial statements are payable as follows:		
	Due not later than one year	91	-
	Due later than one year but not later than five years	213	-
	Total	304	-
	<i>(c) Grant Commitments</i>		
	The Motor Accident Insurance Act 1994 provides for the Commission to allocate funds for strategic accident prevention and rehabilitation initiatives. The payment of these grant moneys is dependent on the grantee organisation satisfying conditions as set out in the grant agreement.		
	Future grant commitments not provided for in the financial statements are payable as follows:		
	Due not later than one year	4,796	6,873
	Due later than one year but not later than five years	101	3,922
	Due later than five years	-	161
	Total	4,897	10,956
NOTE 12	Consultancy Expenditure		
	Professional/technical	455	208
	Information Technology	10	-
	Finance/Accounting	7	-
	Total	472	208

	NOTE	2000 \$'000	1999 \$'000
NOTE 13	Administered Transactions (Hospital & Emergency Services Levy)		
<p>The Motor Accident Insurance Commission (MAIC) receives hospital and emergency services levy amounts from Compulsory Third Party insurers for transfer payments to Queensland Department of Health and the Department of Emergency Services. Amounts relating to these transfer payments are not controlled by MAIC and are therefore not recognised in the Profit and Loss Statement or Balance Sheet. Details of amounts collected and administered by MAIC during the year and the amount held on behalf of Queensland Department of Health and the Department of Emergency Services at year end are as follows:</p>			
<i>Levies</i>			
Comprise amounts collected from licensed CTP insurers on gross insurance premiums.			
Levies collected but not remitted in the previous year			
		3,076	2,839
Hospital levy		9,528	10,215
Emergency Services levy		1,909	2,043
		<u>14,513</u>	<u>15,097</u>
<i>Contributions</i>			
Comprise payments to Queensland Department of Health and the Department of Emergency Services on account of levies received from licensed CTP insurers.			
Hospital levy contributions		9,622	10,017
Emergency Services levy contributions		1,927	2,004
		<u>11,549</u>	<u>12,021</u>
Amounts collected on behalf of but not yet remitted to Queensland Department of Health and the Department of Emergency Services in respect of hospital and emergency services levies as at 30 June 2000:			
		<u>2,964</u>	<u>3,076</u>
(This amount is held in QIC investments).			
NOTE 14	Depreciation		
Plant, Equipment and Furniture & Fittings			
		37	35
Computer Software		-	16
Total		<u>37</u>	<u>51</u>

	NOTE	2000 \$'000	1999 \$'000
NOTE 15 Statement of Cash Flows			
(i) Reconciliation of cash			
For the purposes of this statement, cash includes cash on hand, cash at bank and short term investments. Cash at the end of the year, as shown in the Statement of Cash Flows, is reconciled to the related items in the Balance Sheet as follows:			
Cash		(327)	103
Investments	5	9,020	6,691
Total		<u>8,693</u>	<u>6,794</u>
(ii) Reconciliation of operating profit with net cash provided by operating activities			
Operating profit		4,905	3,530
Add/(Less) non cash items:			
Depreciation		37	51
(Decrease)/Increase in provisions		(91)	(7)
Losses on disposal of assets		9	-
Direct changes to equity			
Recreation leave		4	-
Long service leave		112	-
Changes in assets and liabilities:			
Increase/(Decrease) in creditors		437	48
(Increase)/Decrease in receivables		(3,472)	(79)
Decrease/(Increase) in prepayments		<u>(12)</u>	<u>7</u>
Net cash provided by operating activities		<u>1,929</u>	<u>3,550</u>
(iii) The Motor Accident Insurance Fund has no unused borrowing or overdraft facility.			

NOTE 16 Year 2000

As at the roll-over date of 1 January 2000, all systems had been tested and were considered to be Year 2000 compliant.

All systems were fully operational on 1 January 2000 and no Year 2000 issues have arisen.

NOTE 17 Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms and Conditions
<i>Financial Assets</i>			
Cash on hand		Recorded at book value, which approximates fair value.	
Receivables	4		
penalties receivable		Recognition - upon receipt of fines by Queensland Transport and the Courts. Measurement - prescribed by the <i>Motor Accident Insurance Act 1994</i> . Recorded at book value.	Usually received within 30 days from the month due.
interest on investments		Recognition - at the end of the financial year. Measurement - based on the preliminary distribution provided by QIC.	Interest is normally paid in November of the following year.
loans receivable		Recognition - upon issue of funds Measurement - based on memorandum of agreement and recorded at book value.	No interest rate applied as this is funding to promote research into accident rehabilitation. Repayments in accordance with individual loan agreements which range from 3 to 5 years.
Investments	5	Recognition - on the day funds are invested. Measurement - at net market value.	Can be drawn upon as and when required.
<i>Financial Liabilities</i>			
Creditors		Recognition - upon receipt of goods or services irrespective of whether an invoice has been received. Recognition - based on agreed purchase/contract costs.	Amounts are usually settled within 30 days upon receipt of invoice.

The Fund invests in the Queensland Investment Corporation Investment Trust (QICIT) which is managed by QIC. The QICIT will have invested in a variety of financial instruments including derivatives which expose the Fund's investments to a variety of investment risks including market risk, credit risk, interest rate risk and currency risk.

(b) Interest Rate Risk Exposures

The Fund invests in financial assets for the primary purpose of obtaining a return on investments, to help meet the costs of administering the *Motor Accident Insurance Act 1994*. The Fund's return on the investments will fluctuate in accordance with movements in the market interest rates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

		NOTE	2000 \$'000	1999 \$'000			
2000							
	Notes	Floating interest rate \$'000	Fixed interest rate maturing in 1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial assets							
Cash		-	-	-	-	(327)	(327)
Receivables	4	-	-	-	-	13,082	13,082
Investments	5	-	-	-	-	77,338*	77,338
		-	-	-	-	90,093	90,093
Financial liabilities							
Creditors		-	-	-	-	518	518
Net financial assets (liabilities)		-	-	-	-	89,575	89,575
1999							
	Notes	Floating interest rate \$'000	Fixed interest rate maturing in 1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial assets							
Cash		-	-	-	-	103	103
Receivables	4	-	-	-	-	9,610	9,610
Investments	5	-	-	-	-	75,009*	75,009
		-	-	-	-	84,722	84,722
Financial liabilities							
Creditors		-	-	-	-	81	81
Net financial assets (liabilities)		-	-	-	-	84,641	84,641

* Investments in QICIT are not classified as interest bearing as the Fund receives a distribution of profits based on the earnings of units in the QICIT.

(c) Credit Risk Exposures

Credit exposure represents the extent of credit related losses that the Fund may be subject to on amounts to be received from financial assets. The Fund, while exposed to credit related losses in the event of non-performance by counterparties to financial instruments, does not expect any counterparties to fail to meet their obligations.

(d) Net Fair Values

The carrying amounts of financial assets and liabilities excluding investments, approximate their fair values. The fair value of investments is measured at net market value based on QIC advice.

NOTE 18 Segment Information

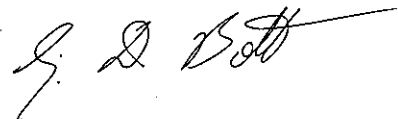
The organisation administers the Queensland compulsory third party motor vehicle insurance scheme.

The foregoing annual financial statements have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements and we certify that-

- (a) the foregoing annual financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Motor Accident Insurance Commission; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Motor Accident Insurance Commission for the year ended 30 June 2000 and of the financial position of the Commission as at 30 June 2000.



L Anderson
Insurance Commissioner



G Bott
Manager Systems and Finance

Dated: 22 September 2000

The Insurance Commissioner of the Motor Accident Insurance Commission

Scope

I have audited the general purpose financial statements of the Motor Accident Insurance Commission for the year ended 30 June 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Profit and Loss Statement, Balance Sheet, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Insurance Commissioner and the Manager Systems and Finance.

The Insurance Commissioner is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

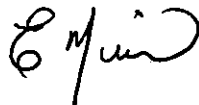
The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977*, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of the Motor Accident Insurance Commission for the financial year 1 July 1999 to 30 June 2000 and of the financial position as at the end of that year.



E A MUIR
Assistant Auditor-General
(As delegate of the Auditor-General)

Queensland Audit Office
Brisbane

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
UNDERWRITING REVENUE			
Levy income	1(g)	23,645	17,318
UNDERWRITING EXPENDITURE			
Claims	2	29,104	37,700
Claims recoveries		(574)	(247)
Net Claims Incurred	3	(28,530)	(37,453)
Other underwriting expenses	4	(1,102)	(1,098)
		(29,632)	(38,551)
UNDERWRITING RESULT		(5,987)	(21,233)
Investment income		23,982	14,846
OPERATING PROFIT/(LOSS)		17,995	(6,387)
Retained profits at the beginning of the financial year		149	6,536
Queensland Treasury adjustments		(26)	-
Transfer of long service leave	1(i)	146	-
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		18,264	149

The accompanying notes form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
CURRENT ASSETS			
Cash		633	314
Receivables	5	27,071	16,261
Investments	6	26,700	24,712
Prepayments		1	3
Total current assets		54,405	41,290
NON-CURRENT ASSETS			
Operating Assets	7	9	56
Investments	6	136,014	115,502
Total non-current assets		136,023	115,558
Total assets		190,428	156,848
CURRENT LIABILITIES			
Creditors		311	69
Provision for employee entitlements	13	43	63
Provision for outstanding claims	12	25,940	26,084
Unearned levies	1(g)	13,604	8,316
Total current liabilities		39,898	34,532
NON-CURRENT LIABILITIES			
Provision for employee entitlements	13	-	131
Provision for outstanding claims	12	132,145	121,915
Total non-current liabilities		132,145	122,046
Total liabilities		172,043	156,578
NET ASSETS		18,385	270
EQUITY			
Capital	8	121	121
Retained profits		18,264	149
TOTAL EQUITY		18,385	270

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$'000	1999 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Inflows:			
Levies		27,262	18,154
Claims recoveries		574	247
Investment income		14,844	13,944
Outflows:			
Claims		(19,018)	(15,857)
Salaries and related expenses		(570)	(674)
Other		(272)	(288)
Net cash provided by operating activities	11(ii)	22,820	15,526
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows:			
Purchase of property, plant and equipment		0	(7)
Proceeds from investments		(20,513)	(14,242)
Net cash used in investing activities		(20,513)	(14,249)
NET INCREASE IN CASH HELD		2,307	1,277
Cash at the beginning of the financial year		25,026	23,749
CASH AT THE END OF THE FINANCIAL YEAR	11(i)	27,333	25,026

The accompanying notes form part of these financial statements.

NOTE 1 Statement of Significant Accounting Policies

(a) Background

The Nominal Defendant, established on 1 September 1994 under the provisions of the *Motor Accident Insurance Act 1994*, is constituted as a body corporate under that Act.

(b) Basis of Preparation

These financial statements have been prepared as general purpose financial statements in accordance with the requirements of the *Financial Administration and Audit Act 1977* and applicable Australian Accounting Standards and Concepts. Excepting for operating assets, the financial statements have been prepared on the basis of net market values. Operating assets have been valued at deprival values.

In preparing the financial statements the accounting policies adopted are consistent with those of the previous year. Some prior year figures have been recast, where appropriate, to enhance comparability.

Amounts shown have been rounded to the nearest thousand dollars.

(c) Operating Assets

In order to comply with the policy document *Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector*, issued by Queensland Treasury, operating assets have been recorded at their deprival value. The most appropriate basis, as determined by management, on which to arrive at deprival values for Nominal Defendant operating assets is to record assets at cost and then apply an appropriate depreciation rate.

The threshold for the recording of operating assets is \$2,000.

The revaluation threshold is \$200,000. Operating assets having a gross value greater than the revaluation threshold and an estimated life of more than three years are required to be revalued.

(d) Depreciation

Depreciation is calculated on a straight-line basis, to write off the net cost of each depreciable asset, progressively over its expected useful life.

The expected useful lives are as follows:

Plant & Equipment	3 years
Computer Software	5 years

(e) Funding of Nominal Defendant Fund

Funding is by way of levies, as explained at Note 1(g); interest on investments; and moneys recovered by the Nominal Defendant against owners and/or drivers of uninsured vehicles and failed claimants.

(f) Provision for Outstanding Claims

Provisions for outstanding claims have been actuarially calculated as at 30 June 2000 by an independent actuarial firm, Trowbridge Consulting, the principals of which are Fellows of the Institute of Actuaries in Australia. The Actuaries have furnished a Certificate.

Claims incurred expense and a liability for outstanding claims are recognised for claims incurred but not yet paid, incurred but not yet reported claims and anticipated direct and indirect costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating unnotified claims and settlement costs using statistics based on past experience and trends.

The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation. The expected future payments are then discounted to a present value at the reporting date using discount rates based on investment opportunities available to the organisation on the amount of funds sufficient to meet claims as they become payable. The details of rates applied are included in Note 12.

NOTE 1 Continued

(g) *Levies*

In order to comply with the provisions of Australian Accounting Standard AAS26 *Financial Reporting of General Insurance Activities*, the Nominal Defendant levy, as stated in Section 12 of the *Motor Accident Insurance Act 1994*, is to be treated as "premium" as defined in AAS 26 and is accounted for as such in accordance with the provisions of AAS26.

Levy revenue is recognised in the Profit and Loss Statement only when it has been earned in accordance with accounting principles set out in AAS26. Levies received but not earned as at the end of the reporting period are recorded as a liability (*unearned levies*) in the balance sheet and then systematically transferred to revenue in the Profit and Loss Statement as the levy is earned over time. In accordance with AAS26 the recognition of earned levy revenue is on the basis of the passage of time, commencing from the month in which motorists remit their CTP premiums to the Queensland Department of Transport.

Levy revenue is received from licensed Compulsory Third Party insurers in accordance with Section 29 of the *Motor Accident Insurance Act 1994* based on a levy calculated on the gross premiums collected for Compulsory Third Party motor vehicle insurance policies. These levies are used to fund estimated costs of the Nominal Defendant scheme for the financial year and shortfalls from previous years.

The Nominal Defendant levy rate is set each year by the Motor Accident Insurance Commission after considering written submissions from licensed insurers and organisations representing motorists in Queensland and after obtaining and considering actuarial advice in accordance with Section 12(2) of the *Motor Accident Insurance Act 1994*.

(h) *Investments*

All funds not required for the day to day management of the Nominal Defendant are invested with the Queensland Investment Corporation Investment Trust, and are recorded in these accounts at net market value. As these investments are held primarily to fund present and future claims on the Nominal Defendant they have been classified between current and non-current assets on the same percentage basis as that applied to the Provision for Outstanding Claims.

(i) *Employee Leave Entitlements*

(1) *Wages, Salaries, Annual Leave and Sick Leave*

Liabilities for wages, salaries and annual leave are recognised and are measured as the amount unpaid at 30 June 2000 at current pay rates in respect of employees' services up to that date. No provision has been made for sick leave as sick leave entitlements do not vest in the employee.

Due to its nature annual leave has been classified as a current liability.

(2) *Long Service Leave*

In 1999-2000, a new long service leave scheme became operative whereby a levy is made on the departments to cover this expense and amounts paid to employees for long service leave are claimed from the scheme as a reimbursement. The balance of the provision for long service that existed at 30 June 1999 has been adjusted against retained profits as at the commencement of the current reporting period.

(j) *Superannuation*

The Nominal Defendant contributes to superannuation funds for the purpose of providing benefits for employees and their dependants on retirement, disability or death, and meets or exceeds the requirements of the Superannuation Guarantee Levy. No liability is shown for superannuation in the financial statements as the liability is assumed by QSuper.

NOTE 1 Continued

(k) Receivables

It is not the policy of the Nominal Defendant to recognise the debt or potential income accruing as the result of judgements granted in favour of it for legal costs and claims against uninsured owners and/or drivers. The resultant receipts are immaterial when compared to the Nominal Defendant's other sources of income and are recognised in the accounts in the period in which they are received. This policy is under constant review by the Nominal Defendant.

(l) Contingent Assets and Liabilities

Under section 106(4) of the *Motor Accident Insurance Act 1994*, if the balance transferred from the Motor Vehicle Insurance Nominal Defendant Fund to the Nominal Defendant Fund on 31 August 1994 proves insufficient to meet the liabilities of the Nominal Defendant arising prior to the commencement of this Act, the Motor Accident Insurance Commission will meet the deficiency. However, total payments are limited to the amount of \$57,818 thousand originally transferred to the Motor Accident Insurance Fund under section 106(3)(b) of the Act.

There were no other known contingent assets and liabilities of the Nominal Defendant at 30 June 2000.

(m) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged to expense in the period in which they are incurred.

	2000	1999
NOTE	\$'000	\$'000

NOTE 2 Claims

Comprise amounts required to be paid on behalf of those insured, amounts set aside for future claims and claims settlement costs. Claims settlement costs include costs that can be associated directly with individual claims, such as legal and professional fees.

Increase in provision for outstanding claims	1(f)	10,086	21,843
Claims and associated settlement costs		19,018	15,857
Total		29,104	37,700

	NOTE	2000 \$'000	1999 \$'000
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NOTE 3 Net Claims Incurred

Current period claims relate to risks borne in the current reporting period. Prior period claims relate to a reassessment of the risks borne in all previous reporting periods.

	2000			1999		
	Current Year \$000	Prior Years \$000	Total \$000	Current Year \$000	Prior Years \$000	Total \$000
Gross Claims incurred and related expenses - undiscounted	50,675	(18,538)	32,137	53,149	(6,286)	46,863
Reinsurance and other recoveries - undiscounted	(728)	(20)	(748)	(767)	142	(625)
Net claims incurred - undiscounted	49,947	(18,558)	31,389	52,382	(6,144)	46,238
Discount and discount movement - gross claims incurred	(12,471)	9,571	(2,900)	(13,045)	4,147	(8,898)
Discount and discount movement - reinsurance and other recoveries	180	(139)	41	189	(76)	113
Net discount movement	(12,291)	9,432	(2,859)	(12,856)	4,071	(8,785)
Net Claims Incurred - discounted	37,656	(9,126)	28,530	39,526	(2,073)	37,453

NOTE 4 Other Underwriting Expenses

Salaries and wages		
Salaries and wages	443	540
Superannuation	56	62
Long service leave expense	6	49
Recreation leave expense	24	47
Other related expenses	28	36
Depreciation		
Plant and equipment	15	19
Computer software	14	19
Other	516	326
Total	1,102	1,098

	NOTE	2000 \$'000	1999 \$'000
NOTE 5	Receivables		
	Accrued investment income	23,950	14,812
	Levies receivable	3,120	1,449
	Other receivables	1	-
	Total	27,071	16,261
NOTE 6	Investments		
	At net market value		
	Queensland Investment Corporation - current	26,700	24,712
	Queensland Investment Corporation - non - current	136,014	115,502
	Total	162,714	140,213
NOTE 7	Operating Assets		
	Operating assets - at cost	220	276
	Accumulated depreciation	(211)	(220)
	Total	9	56
	As represented by:		
	Plant and equipment - at cost	77	131
	Accumulated depreciation	(68)	(106)
	Total	9	25
	Computer software - at cost	143	145
	Accumulated depreciation	(143)	(114)
	Total	0	31
NOTE 8	Capital		
	Assets and Liabilities transferred from Nominal Defendant (Queensland) on establishment of the Nominal Defendant on 1 September 1994:	1(a) 121	121
	Total capital	121	121
NOTE 9	Auditor's Remuneration		
	Remuneration received or due and receivable by the Auditor-General of Queensland for external audit services	12	8

	NOTE	2000 \$'000	1999 \$'000
NOTE 10	Operating Lease Rental Commitments		
The Nominal Defendant assumed joint responsibility with the Motor Accident Insurance Commission for servicing the lease entered into in joint tenancy between the Nominal Defendant (Queensland) and the Office of the Insurance Commissioner in the 1993/94 financial year.			
Future operating lease rentals not provided for in the financial statements are payable as follows:			
Due not later than one year		83	-
Due later than one year but not later than five years		192	-
Total		<u>275</u>	<u>-</u>
NOTE 11	Statement of Cash Flows		
(i)	Reconciliation of cash		
For the purposes of this statement, cash includes cash on hand, cash at bank and short term investments. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Cash		633	314
Investments	6	<u>26,700</u>	<u>24,712</u>
Total		<u>27,333</u>	<u>25,026</u>
(ii)	Reconciliation of operating (loss)/profit with net cash used in operating activities		
Operating profit/(loss)		17,995	(6,387)
Add/(less) non - cash items:			
Depreciation		29	38
Increase in provisions		9,935	21,899
Losses on disposal of assets		3	-
Direct changes to equity			
Recreation leave		(11)	-
Long service leave		146	-
Changes in assets and liabilities:			
Decrease/(Increase) in prepayments		2	4
(Increase)/Decrease in receivables		(10,810)	(855)
Increase/(Decrease) in creditors		243	38
Increase in unearned levies		5,288	789
Net cash provided by operating activities		<u>22,820</u>	<u>15,526</u>
(iii)	The Nominal Defendant Fund has no unused borrowing or overdraft facility.		

	NOTE	2000 \$'000	1999 \$'000
NOTE 12	Outstanding Claims		
	Expected future claims payments (undiscounted)	199,179	186,234
	Discount to present value	(41,094)	(38,235)
	Liability for outstanding claims	<u>158,085</u>	<u>147,999</u>
	Current	25,940	26,084
	Non-current	<u>132,145</u>	<u>121,915</u>
		<u>158,085</u>	<u>147,999</u>
(i)	The weighted average expected term to settlement from the reporting date of the outstanding claims is estimated to be 3.7 years (1999 – 3.65 years)		
(ii)	The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims:		
	Claims expected to be paid:		
	Not later than one year		
	Inflation rate	7.5%	7.0%
	Discount rate	6.0%	6.0%
	Later than one year		
	Inflation rate	7.5%	7.0%
	Discount rate	6.0%	6.0%
NOTE 13	Employee Entitlements		
	Employee entitlement liabilities		
	Provision for employee entitlements		
	Current	43	63
	Non-current	-	131
	Aggregate employee entitlement liability	<u>43</u>	<u>194</u>
NOTE 14	Year 2000		
	As at the roll-over date of 1 January 2000, all systems had been tested and were considered to be Year 2000 compliant.		
	All systems were fully operational on 1 January 2000 and no Year 2000 issues have arisen.		

	NOTE	2000 \$'000	1999 \$'000
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NOTE 15 Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms and Conditions
<i>Financial Assets</i>			
Cash on hand		Recorded at book value, which approximates fair value.	
Receivables	5		
levies receivable		Recognition - applying from the first day of the following month. Measurement - based on levy rates fixed by regulation. Recorded at book value.	Received within 14 days from the month due.
interest on investments		Recognition - at the end of the financial year. Measurement - based on the preliminary distribution provided by QIC.	Interest is normally paid in November of the following year.
Investments	6	Recognition - on the day funds are invested. Measurement - at net market value.	Can be drawn upon as and when required.
<i>Financial Liabilities</i>			
Creditors		Recognition - upon receipt of goods or services irrespective of whether an invoice has been received. Recognition - based on agreed purchase/contract costs.	Amounts are usually settled within 30 days upon receipt of invoice.

The Fund invests in the Queensland Investment Corporation Investment Trust (QICIT) which is managed by QIC. The QICIT will have invested in a variety of financial instruments including derivatives which expose the Fund's investments to a variety of investment risks including market risk, credit risk, interest rate risk and currency risk.

(b) Interest Rate Risk Exposures

The Fund invests in financial assets for the primary purpose of obtaining a return on investments, to help meet the costs of the Nominal Defendant and satisfy liabilities for motor vehicle accident claims. The Fund's return on the investments will fluctuate in accordance with movements in the market interest rates.

	NOTE	2000 \$'000	1999 \$'000
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NOTE 15 Financial Instruments (continued)

2000	Notes	Floating interest rate \$'000	Fixed interest rate maturing in			Non interest bearing \$'000	Total \$'000
			1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000		
Financial assets							
Cash		-	-	-	-	633	633
Receivables	5	-	-	-	-	27,071	27,071
Investments	6	-	-	-	-	162,714*	162,714
		-	-	-	-	190,418	190,418
Financial liabilities							
Creditors		-	-	-	-	311	311
Net financial assets (liabilities)		-	-	-	-	190,107	190,107
1999							
	Notes	Floating interest rate \$'000	1 year or less \$'000	over 1 to 5 years \$'000	more than 5 years \$'000	Non interest bearing \$'000	Total \$'000
Financial assets							
Cash		-	-	-	-	314	314
Receivables	5	-	-	-	-	16,261	16,261
Investments	6	-	-	-	-	140,214*	140,214
		-	-	-	-	156,789	156,789
Financial liabilities							
Creditors		-	-	-	-	69	69
Net financial assets (liabilities)		-	-	-	-	156,720	156,720

* Investments in QICIT are not classified as interest bearing as the Fund receives a distribution of profits based on the earnings of units in the QICIT.

(c) Credit Risk Exposures

Credit exposure represents the extent of credit related losses that the Fund may be subject to on amounts to be received from financial assets. The Fund, while exposed to credit related losses in the event of non-performance by counterparties to financial instruments, does not expect any counterparties to fail to meet their obligations.

(d) Net Fair Values

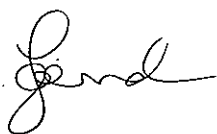
The carrying amounts of financial assets and liabilities excluding investments, approximate their fair values. The fair value of investments is measured at net market value based on QIC advice.

NOTE 16 Segment Information

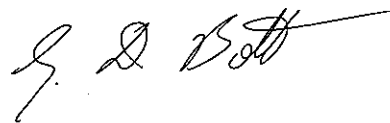
The Nominal Defendant is a statutory body operating in the motor vehicle insurance industry in Queensland.

The foregoing annual financial statements have been prepared pursuant to the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements and we certify that-

- (a) the foregoing annual financial statements and notes to and forming part thereof are in agreement with the accounts and records of the Nominal Defendant; and
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Nominal Defendant for the year ended 30 June 2000 and of the financial position as at 30 June 2000.



L Anderson
Nominal Defendant



G Bott
Manager Systems and Finance

The Nominal Defendant

Scope

I have audited the general purpose financial statements of the Nominal Defendant for the year ended 30 June 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Profit and Loss Statement, Balance Sheet, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Nominal Defendant and the Manager Systems and Finance.

The Nominal Defendant is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

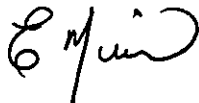
The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the *Financial Administration and Audit Act 1977*, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of the Nominal Defendant for the financial year 1 July 1999 to 30 June 2000 and of the financial position as at the end of that year.



E A MUIR
Assistant Auditor-General
(As delegate of the Auditor-General)

Queensland Audit Office
Brisbane

appendices 1999–2000

1. Actuarial Certificate – Nominal Defendant

1.1 Actuarial Certificate on Outstanding Claims Liability as at 30 June 2000

Trowbridge Consulting was asked by Queensland Treasury to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities as at 30 June 2000 and to advise on an appropriate balance sheet provision for these liabilities.

The data, assumptions, approach and results of this valuation are described in detail in our report entitled "*Queensland Nominal Defendant Fund – Valuation of Outstanding Claims Liabilities as at 30 June 2000*". The advice set out in our report has been prepared in compliance with the relevant accounting standard AAS26, the tax ruling IT2663 and Professional Standard 300 of the Institute of Actuaries of Australia.

1.2 Results

The provision adopted by the Nominal Defendant as at 30 June 2000 is \$152 million excluding the impact of The New Tax System (TNTS). This incorporates our discounted central estimate of the outstanding claims liability allowing for future claim inflation, expected future investment income on the assets supporting the Fund's liabilities, claim handling expenses, and a prudential margin. The prudential margin adopted by the Fund allows for the risk and uncertainty associated with the estimated liability. We believe that the level of prudential margin is appropriate for this type of business.

We have separately estimated the impact of TNTS on the Nominal Defendant's outstanding claims liability. This increases the required provision by \$6 million to \$158 million.

1.3 Reliances and Limitations

In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency. Reliance was placed on, but not limited to, the accuracy of the information described in our report.

Although we have prepared estimates in conformity with what we believe to be the likely future experience, the experience could vary considerably from our estimates. Deviations from our estimates are normal and are to be expected. This is particularly relevant to the new Act years given the immaturity of the experience and the low level of payments made to date.

The limitations of the old Act data restricted the choice of valuation methods available to us and also restricts the analysis we can perform in arriving at some of the assumptions about the new Act experience.



Estelle Pearson



Adam Driussi

Fellows of the Institute of Actuaries of Australia

Publications

The Commission has the following publications available to the public:

- The Motor Accident Insurance Commission Annual Reports (no charge)
- Work Training Guidelines for Rehabilitation Providers (no charge)
- Rehabilitation Procedures for Communication between Rehabilitation Service Providers and Compulsory Third Party Insurers (no charge)
- Review of Queensland Compulsory Third Party Insurance Scheme (no charge)

Community Participation in Policy-making

The Commission operates a Claims Help Line which is accessible free of charge to the Queensland public. The Claims Help Line staff assist the public in understanding the operations of the CTP insurance scheme in Queensland and record complaints about the scheme and suggestions on how the scheme could be improved. The Claims Help Line number is 1300 302 568.

The Commission is involved in regular discussions with motoring organisations, licensed CTP insurers, the legal profession, and the medical and allied health professions to ensure the scheme operates effectively and is modified when necessary.

The recent major Review involved the widest possible consultation, with the Review Committee travelling to several major Queensland regional centres to conduct public meetings. An Issues Paper and a Draft Report were available to the public. Information on the Commission and the CTP Scheme are available on the MAIC website at www.maic.qld.gov.au

Freedom of Information (FOI)

Requests for general and publicly available documents may be made by telephoning (07) 3227 8088. Some documents may be restricted owing to personal privacy issues, or confidentiality requirements if the document is considered commercially sensitive.

FOI requests are handled by the Insurance Commissioner in the case of the Commission and by the Nominal Defendant for documents held by the Nominal Defendant.

How to obtain documents:

1. Ask if the document you require is publicly available.
2. Identify the documents you require. Where the request involves general information or a large number of documents, it is preferable to discuss the issue with the Commission or the Nominal Defendant to identify what is required.
3. To assist in the process, the request should also state the type of access sought (inspection of the document or a copy of the document).
4. Applications must be in writing and be accompanied by an application fee of \$30 if the request relates to matters which are not of a personal nature relating to the applicant. Copies of such documents are charged at 50 cents per page.
5. If the document to which access is sought relates to the applicant's personal affairs, the applicant must supply proof of identification. No application fee or copy charge apply to such documents.
6. The FOI Act specifies time limits within which applications are dealt with and provides an applicant with the right of review should the applicant not be satisfied that his/her application has been dealt with in accordance with the Act.

Grants from the Motor Accident Insurance Fund

	Future Commitment	1999/00 \$	1998/99 \$
CONROD			
(Including the Chair of Rehabilitation Medicine)	1,476,000	588,000	780,000
CARRS-Q	514,000	514,000	518,000
Road Accident Prevention and Road Safety Research Grant Scheme	-	400,000	862,472
University of Queensland Chair of Orthopaedic Medicine	116,850	53,002	52,634
Whiplash Research Project	-	-	160,200
Occupational Therapy Driver Assessment Training	-	-	40,000
Princess Alexandra Hospital Foundation Acquired Brain Injury Outreach Services	789,673	759,301	730,097
Spinal Injury Outreach Team and Transitional Rehabilitation Program Service	1,722,223	1,655,984	1,592,290
Royal Children's Hospital Foundation Statewide Paediatric Rehabilitation Service	-	1,600,000	1,600,000
Mobile Orthotics Unit	-	-	122,000
James Cook University Distance Education for Disabled Project	200,000	-	200,000
Queensland University of Technology Fellowship in Clinical Biomechanics - additional funding	40,000	16,872	-
ARC SPIRT Grant - Alcohol Ignition Interlock Project	38,528	17,439	-
Department of Transport Road Safety Media Campaign	-	500,000	500,000
Queensland Police Service State Traffic Task Force	-	1,306,835	1,268,347
University of Tasmania Spinal Injury Project	-	87,994	-
Queensland Health and CONROD Trauma Register and Data Coordination Project	-	110,000	-
University of Southern Queensland Mobile Intensive Care Rescue Facility	-	-	237,000
Royal Brisbane Hospital Maxillofacial Unit	-	-	60,418
Occupational Therapy Australia QLD Inc. Driver Assessment Training Scholarships	-	-	19,500
TOTAL	4,897,274	7,609,427	8,742,958



Debbie Davis



Neil Tomkins, Lynne McCall-Marshall, John Foster and Max Leo

Ongoing Projects Funded in Previous Years

- Royal Australian College of General Practitioners Research Fellowship
- Royal Australasian College of Physicians Research Fellowship
- Royal Australasian College of Surgeons Research Fellowship
- Queensland University of Technology
 - Clinical Biomechanics Research Fellowship
- Griffith University
 - Rehabilitation Counselling/Nursing/Psychology Research Fellowship
- University of Southern Queensland
 - Mechatronics and Biomedical Engineering Research Fellowship
 - Road Crash Project
- University of Queensland
 - Speech Therapy/Audiology/Physiotherapy/Occupational Therapy – Research Unit
 - Orofacial Trauma Research Unit
 - Teaching and Community Services Rehabilitation Research Fellowship
- Central Queensland University
 - Sociology/Social Work Research Project

Research Centre Annual Reports

The two MAIC-funded research centres (CONROD and CARRS-Q) produce reports covering research conducted within the centres and research projects funded through competitive grants. The current CONROD report relates to calendar year 1999 and is available by contacting the centre on (07) 3365 5560. The current CARRS-Q report relates to the half year ending 31 December 1999 and is available by telephoning (07) 3864 4589.



Don Sacre and Mike Hancock with Kevin Lee in the foreground

Licensed Compulsory Third Party Insurers (as at 30 June 2000)

Allianz Australia Insurance Limited
(formerly MMI General Insurance Limited)
GPO Box 1028
Brisbane Qld 4001
Ph 1800 816 868
ABN 15 000 122 850

Australian Associated Motor Insurers Limited
GPO Box 1155
Brisbane Qld 4001
Ph 13 22 44
ABN 92 004 791 744

FAI General Insurance Company Limited
GPO Box 2226
Brisbane Qld 4001
Ph 13 10 00
ABN 15 000 327 855

NRMA Insurance Limited
GPO Box 5730
Brisbane Qld 4001
Ph 1800 244 013
ABN 11 000 016 722

QBE Insurance (Australia) Limited
GPO Box 417
Brisbane Qld 4001
Ph 1800 112 472
ABN 78 003 191 035

RACQ-GIO Insurance Limited
PO Box 4
Springwood Qld 4127
Ph 3361 2444
ABN 50 009 704 152

Suncorp Metway Insurance Limited
GPO Box 1453
Brisbane Qld 4001
Ph 13 11 55
ABN 83 075 695 966

Previously Licensed Insurers (as at 30 June 2000)

CIC Insurance Limited
GPO Box 9814
Brisbane Qld 4001
Ph 07 - 3815 1222
ACN 004 078 880
Licence withdrawn 22/01/1996

GIO General Limited
GPO Box 244
Brisbane Qld 4001
Ph 13 10 10
ACN 002 861 583
Licence withdrawn 30/06/1996

Mercantile Mutual Insurance (Australia) Ltd
GPO Box 705
Brisbane Qld 4001
Ph 07 - 3859 5555
ACN 000 456 799
Licence withdrawn 01/11/1996

Commercial Union Assurance of Australia Ltd
PO Box 1495
Milton Qld 4064
Ph 07 - 3212 7878
ACN 004 478 371
Licence withdrawn 01/03/1997

Zurich Australian Insurance Limited
PO Box 684
Spring Hill Qld 4000
Ph 1800 811 099
ACN 000 296 640
Licence withdrawn 15/11/1997

Fortis Insurance Limited
(formerly VACC Insurance Co. Limited)
PO Box 555
Fortitude Valley Qld 4006
Ph 1800 816 027
ACN 004 167 953
Licence suspended 30/03/1999
pending withdrawal

Contact Details

Motor Accident Insurance Commission

Address: Level 18 - 288 Edward Street, Brisbane
Postal Address: GPO Box 1083, Brisbane Qld 4001
Ausdoc: DX 147 Brisbane Qld
Website: www.maic.qld.gov.au

Telephone: 07 - 3227 8088
Facsimile: 07 - 3229 3214
E-mail: maic@maic.qld.gov.au

Insurance Commissioner	Lesley Anderson	07 - 3227 8105
Deputy Insurance Commissioner	John Hand	07 - 3227 8125
Manager, Systems and Finance	Greg Bott	07 - 3227 8164
Senior Finance Officer	Tulia Koroivawai-Gauna	07 - 3224 5018
Policy Officer, Systems and Finance	Debbie Davis	07 - 3224 4562
Research Support	Beth Sanders	07 - 3882 0245
Information Technology Support	Gavin Cruickshank	07 - 3224 5002
Principal Rehabilitation Adviser	Michael Hancock	07 - 3227 8162
Rehabilitation Project Officer	Janette Archibald	07 - 3224 5001
Manager, Policy and Liaison	Neil Tomkins	07 - 3227 8242
Policy Officer, Insurance	John Foster	07 - 3227 8250
Policy Officer, Insurance	Max Leo	07 - 3227 8250
Industry Liaison Officer	Lynne McCall-Marshall	07 - 3227 8022
Policy Officer	Mike Reynolds	07 - 3247 4772
Policy Officer	Bill Watson	07 - 3234 0598
Policy Officer	Kevin Lee	07 - 3247 4772
Administration Officer	Lisa Proctor	07 - 3227 8088
Executive Secretary	Julie Ecimovic	07 - 3227 7063

Nominal Defendant

Address: Level 18 - 288 Edward Street, Brisbane
Postal Address: GPO Box 2203, Brisbane Qld 4001
Ausdoc: DX 147 Brisbane Qld

Telephone: 07 - 3227 7993
Facsimile: 07 - 3221 4805
E-mail: nd@maic.qld.gov.au

Nominal Defendant	Lesley Anderson	07 - 3227 8105
Manager, Nominal Defendant and Principal Adviser Claims	Les Kilmartin	07 - 3227 8213
Claim Manager	Rex Mellifont	07 - 3227 8387
Claim Manager	Ian Evans	07 - 3227 8359
Claim Manager	Wayne Saville	07 - 3227 8353
Claim Manager	Laurie Meteyard	07 - 3227 8354
Claim Manager	Don Sacre	07 - 3227 8284
Assistant Claim Manager	Michael Walpole	07 - 3227 8402
Assistant Claim Manager	Sherrilyn Robinson	07 - 3227 8412
Administration Officer	Sandra Clifton	07 - 3227 8596
Administration Officer	Katie Gilmour	07 - 3227 8412



**Queensland
Government**

Motor Accident Insurance Commission
Level 18, 288 Edward Street, Brisbane, Queensland
GPO Box 1083, Brisbane, Queensland 4001
General enquiries: 07 3227 8088