



Compulsory third party insurance scheme update

State taxi conference 2019: Cairns

28 August 2019

Neil Singleton, Insurance Commissioner, MAiC



Presentation overview

- National CTP insurance scheme overview
- Queensland CTP insurance scheme
- Ride-share vehicles
- Road safety and scheme initiatives
- Conclusion

CTP



National CTP Scheme overview

WA

Fault-based
Government
underwritten

NT

No-fault
Government
underwritten

SA

Fault-based
Common law
Private underwriting

TAS

No-fault
Government
underwritten

Queensland

Fault-based
Common law
Private underwriting

NSW

No-fault, common law
Private underwriting

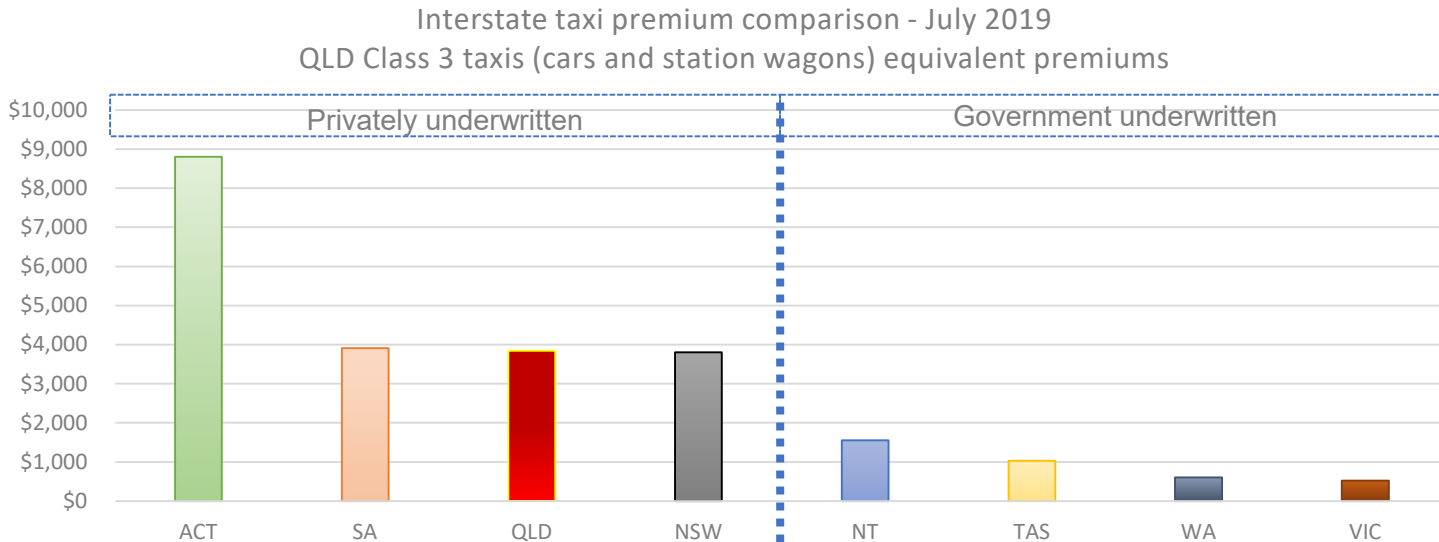
ACT

Common law
Private underwriting

VIC

No-fault
Government
underwritten

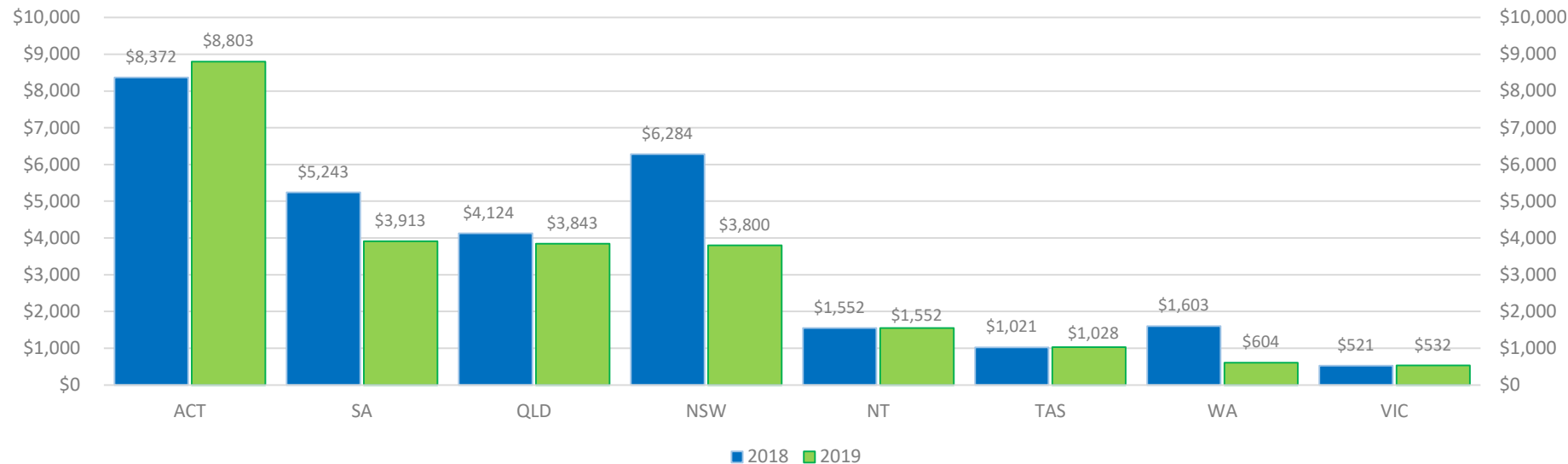
Taxi premiums nationally – 2019



- Taxi premiums vary nationally based on a variety of factors
- **NSW ~\$3,800 base premium plus additional premium for each fare paying kilometre travelled**
- *NSW, VIC, WA, SA and QLD as at 1 July 2019, others at May 2019
- Privately underwritten schemes largely reflect the claims risk of taxis
- Government underwritten schemes cross-subsidise taxi premiums

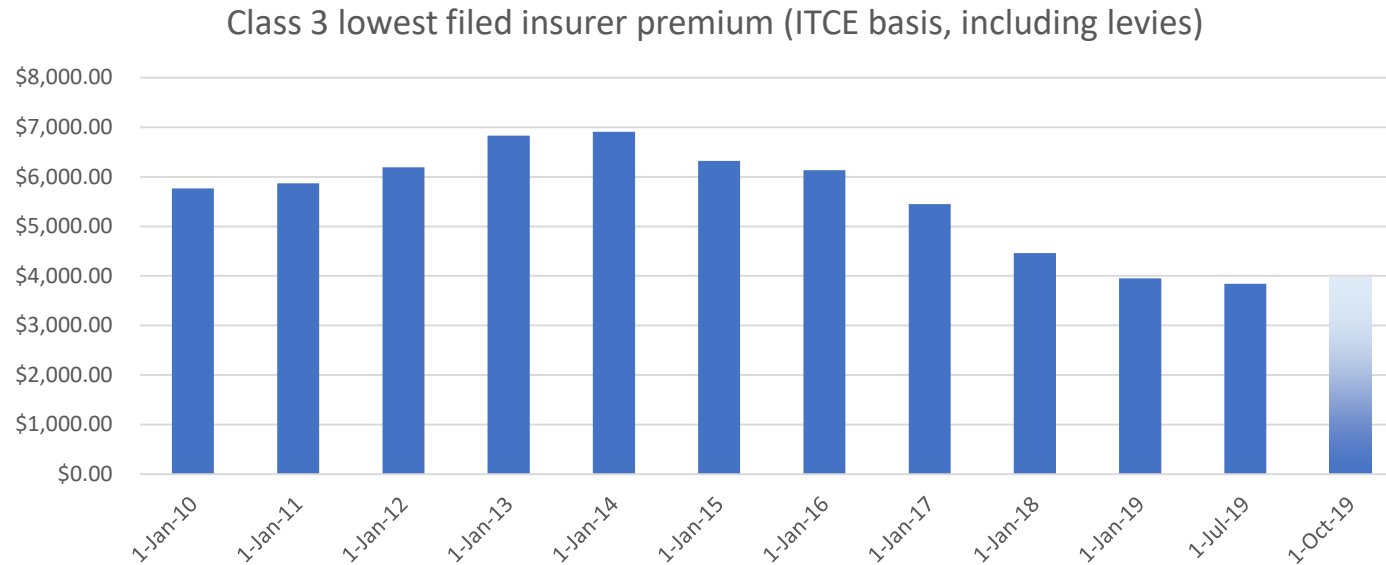
Taxi premiums nationally: 2019 versus 2018

Interstate taxi premium comparison - 2019 vs March 2018
QLD Class 3 taxis (cars and station wagons) equivalent premiums



Changes in premiums due to a mixture of scheme design changes, competition and/or claims experience

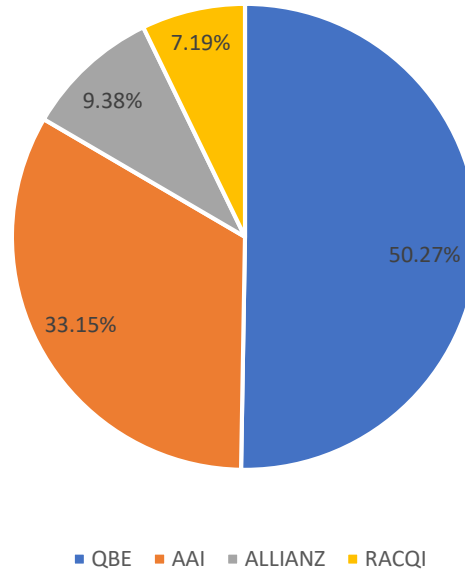
Queensland CTP taxi premium – a positive story



- Premium relativity reduced from peak of 22 down to 14 times Class 1 premium
- October quarter = annual premium \$3,961 (slight increase due to scheme-level factors)

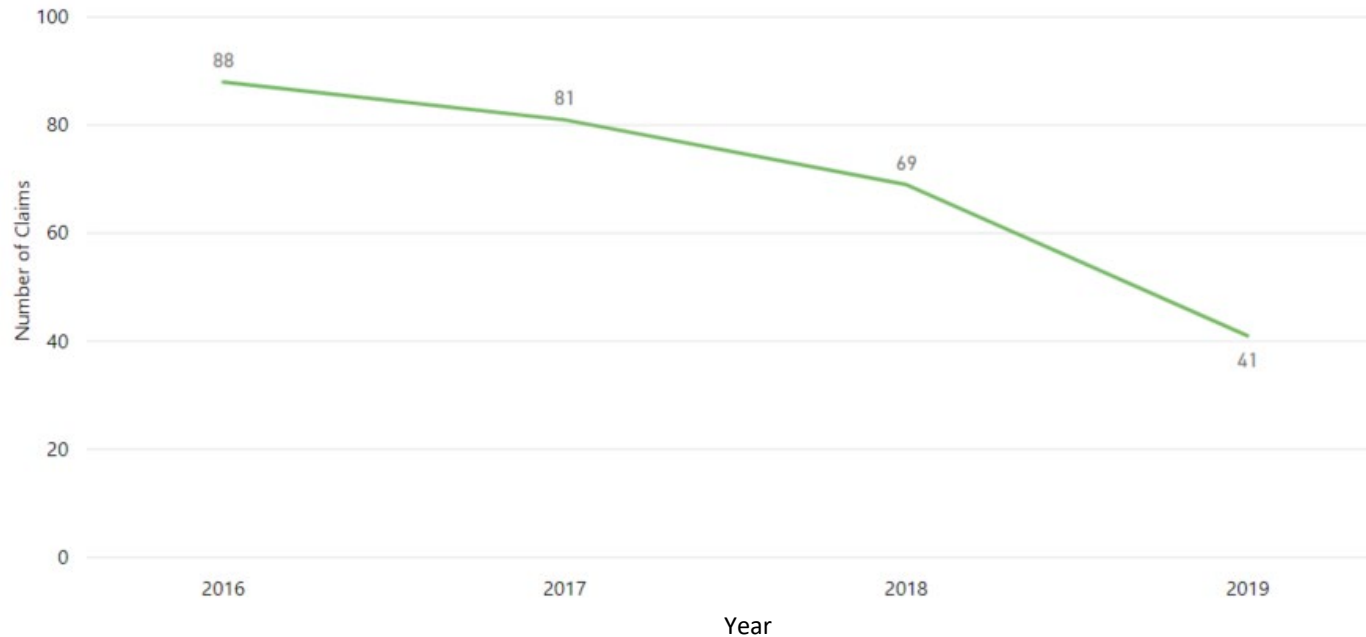
Queensland Class 3 (taxis) market share

Class 3 insurer market share - July 2019



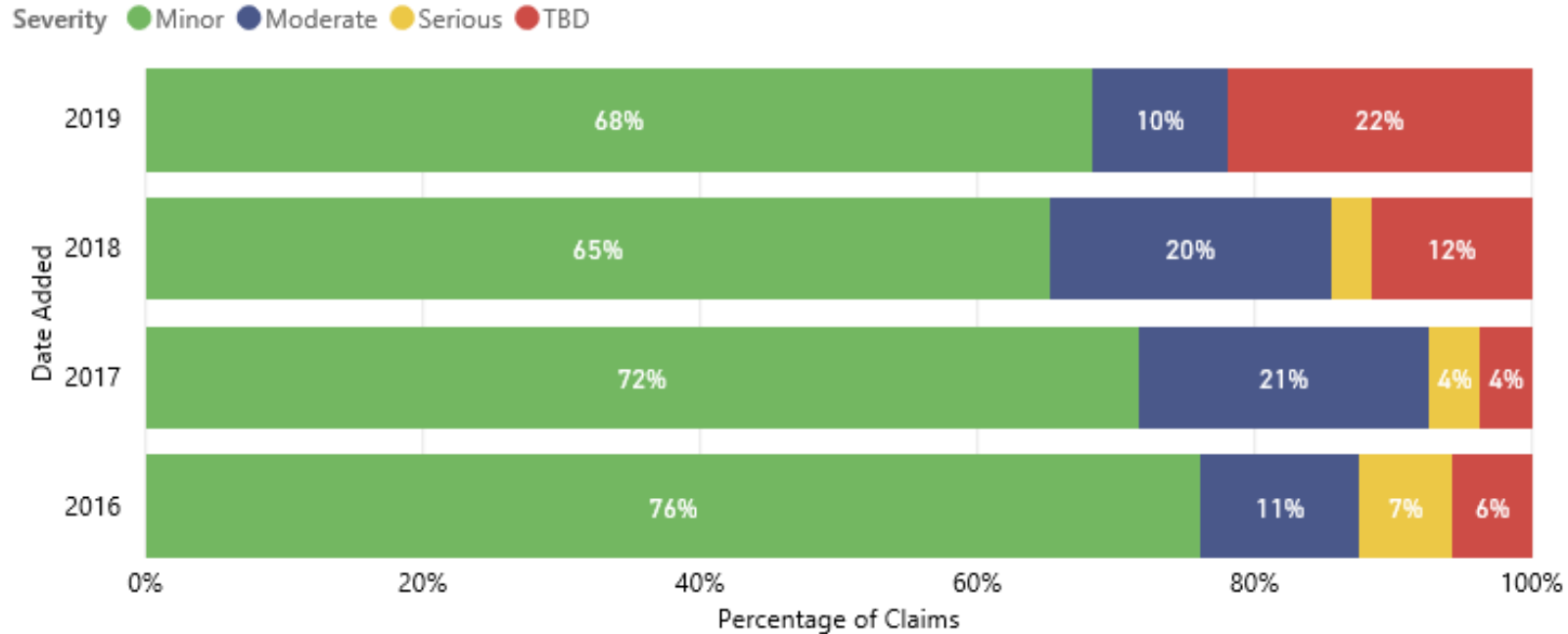
- Class 3 taxis - 2,600 vehicles in Class 3 as at July 2019
- QBE insures just over half of Class 3 vehicles

Queensland taxi crashes - claims received to date



- Data is still immature for recent years – typically 80+ claims pa

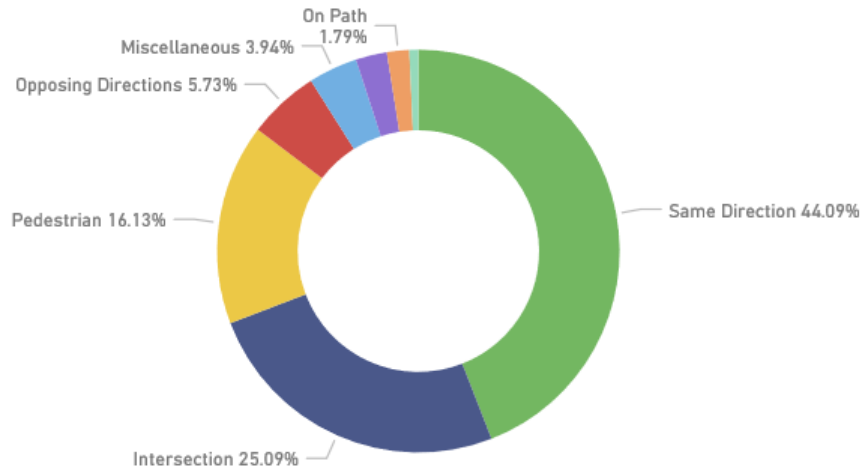
Taxi related claims – by severity of claimant injury



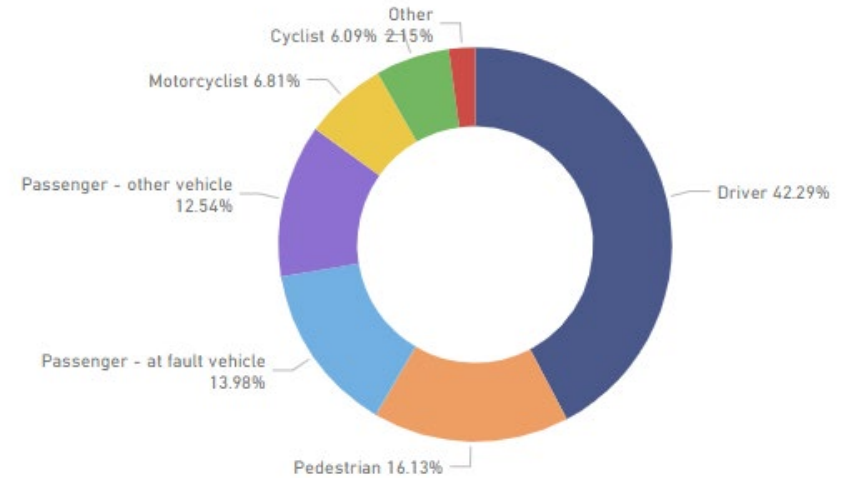
- Claims mainly involve minor injuries
- 'TBD' = cases where medical evidence not yet known

Crash circumstances and claimant roles 2016-2018

Crash circumstances breakdown



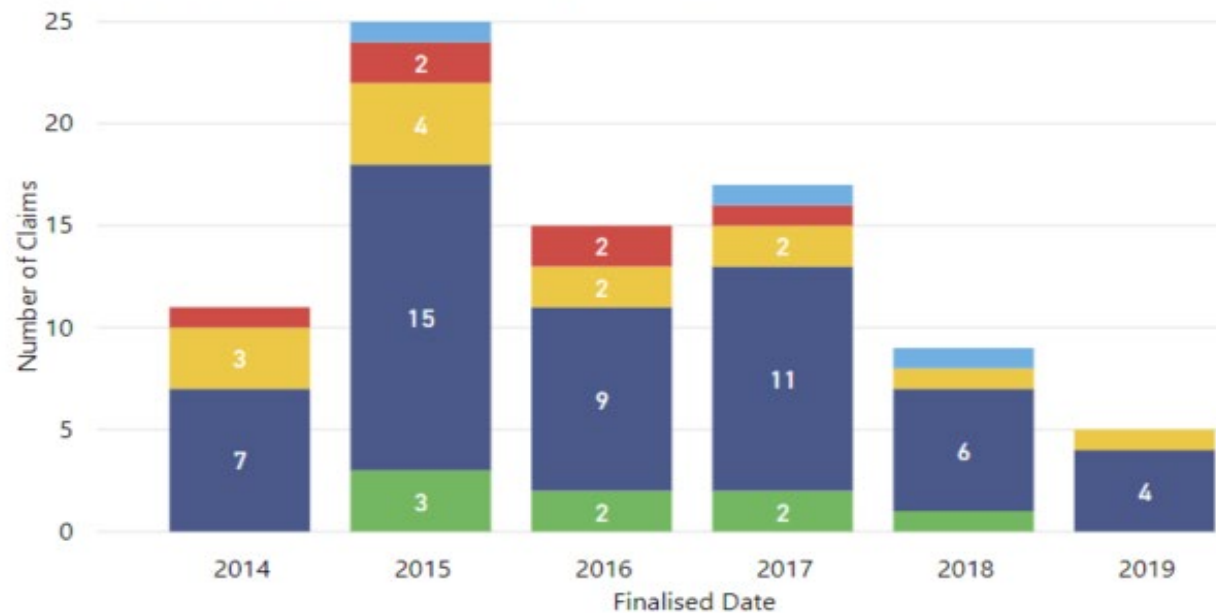
Claimant roles breakdown



- Almost half of all claims involve 'nose to tail' crashes - anecdotally, mainly at low speed
- Around ten claims a year involve passengers in taxis

Claims by taxi passengers

Number of Claims by Finalised Date - Passenger at Fault Vehicle



- Predominantly minor injuries

Claims by pedestrians, cyclists, drivers and motorcyclists

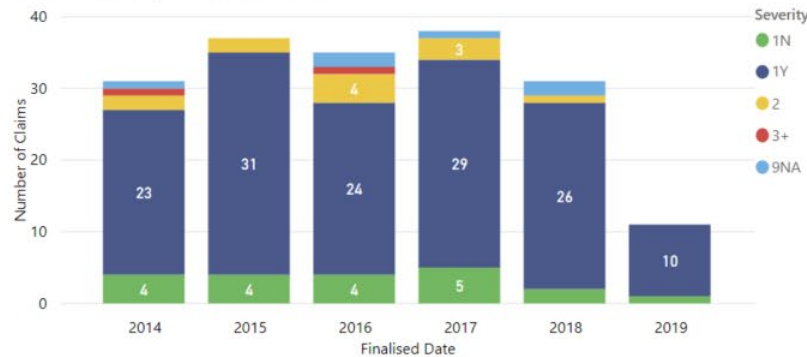
Number of Claims by Finalised Date - Pedestrian



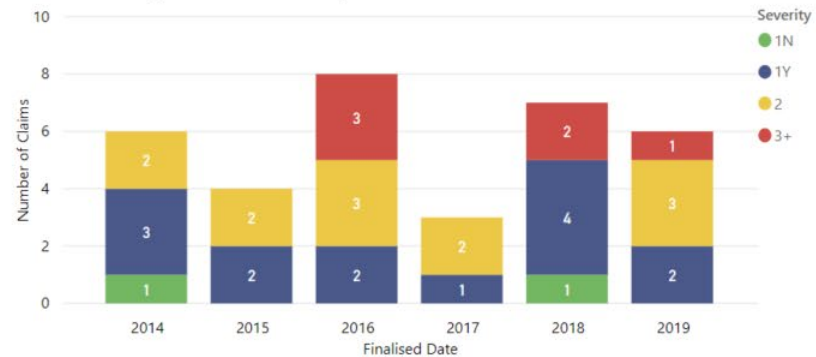
Number of Claims by Finalised Date - Cyclist



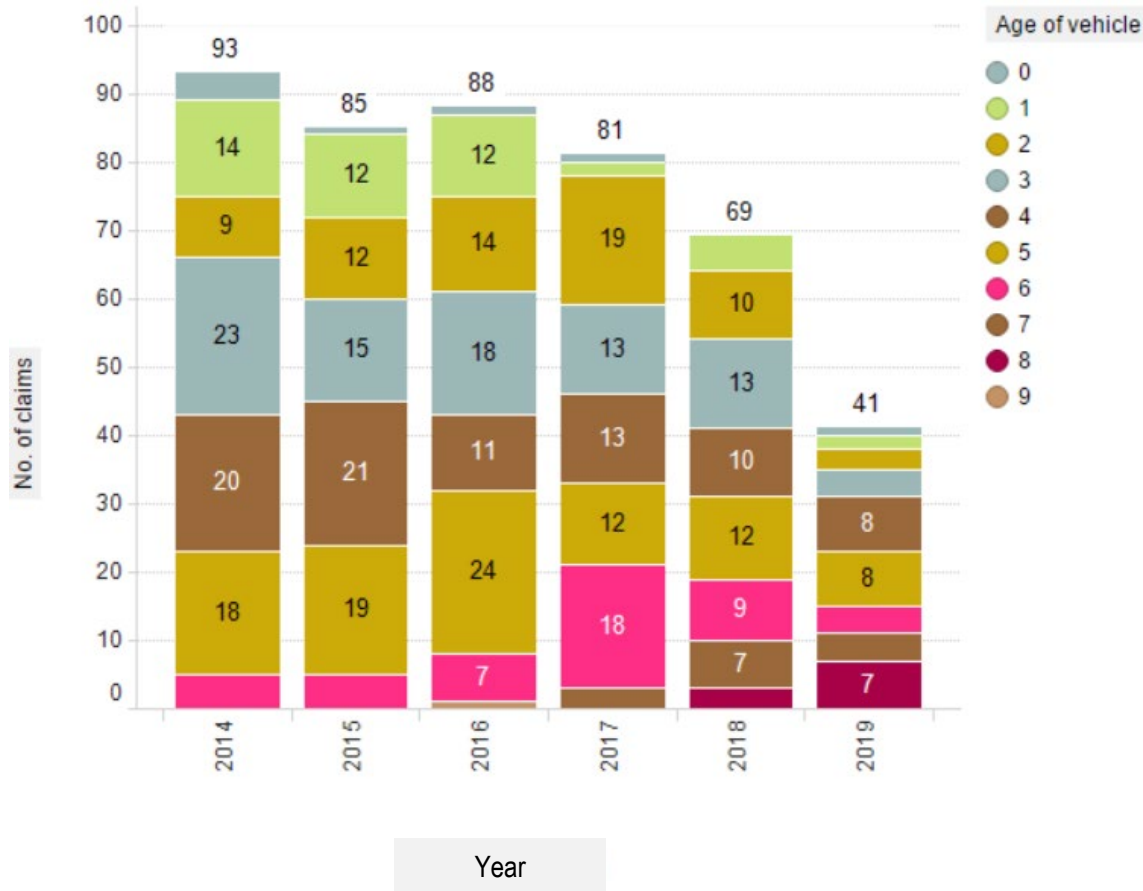
Number of Claims by Finalised Date - Driver



Number of Claims by Finalised Date - Motorcyclist



At-fault taxi claims by vehicle age



- Difficult to identify any trends due to relatively small number of claims each year
- Mainly 3-5 year old vehicles....but that may just be reflective of exposure
- Keen to see if particular vehicle safety features reduce crash and injury rates

A quick look at Queensland maxi taxis

Vehicle Classes 10A or 11 based on size/seating capacity

Class	Number of maxi taxis	Overall Class Size
10A	70	2,717
11	645	6,663
Total	715	9,380

Class	Quarter commencing 1 Jul 2018	Quarter commencing 1 Jul 2019
10A	\$914.40	\$913.80
11	\$994.80	\$979.20

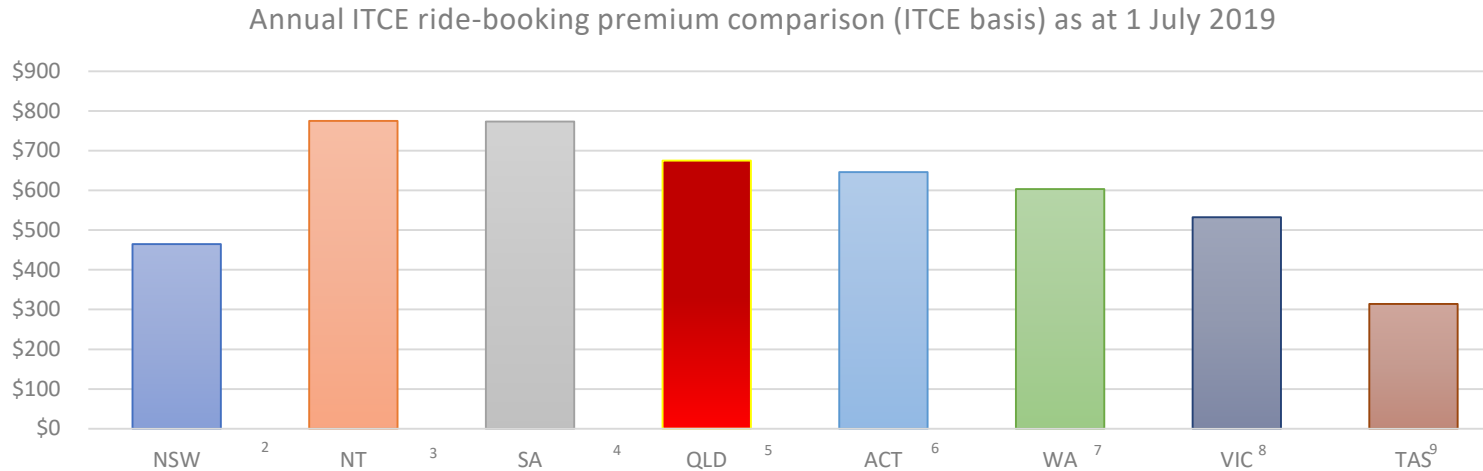
- Premium based on experience of all vehicles in the class, not just maxi taxis
- Experience remains stable – no observable trends to report



A quick look at ride share vehicles

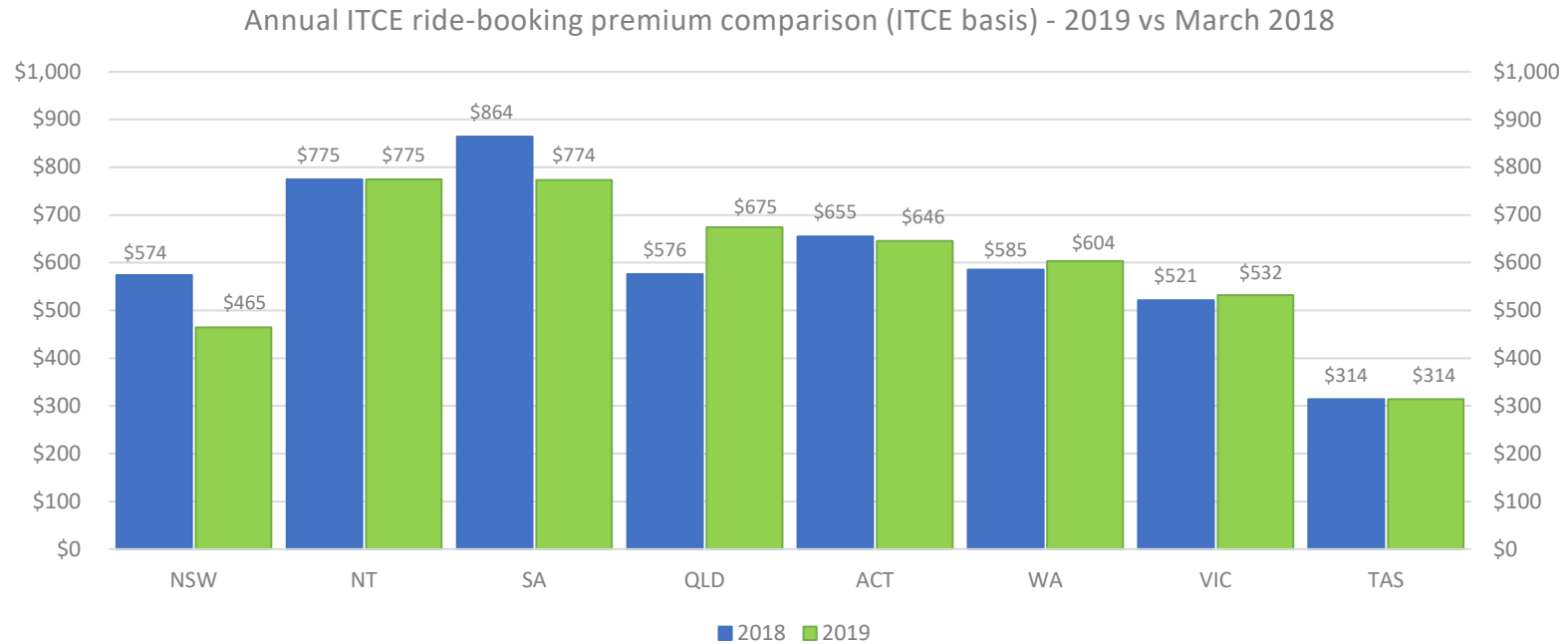


Ride-booking premiums nationally



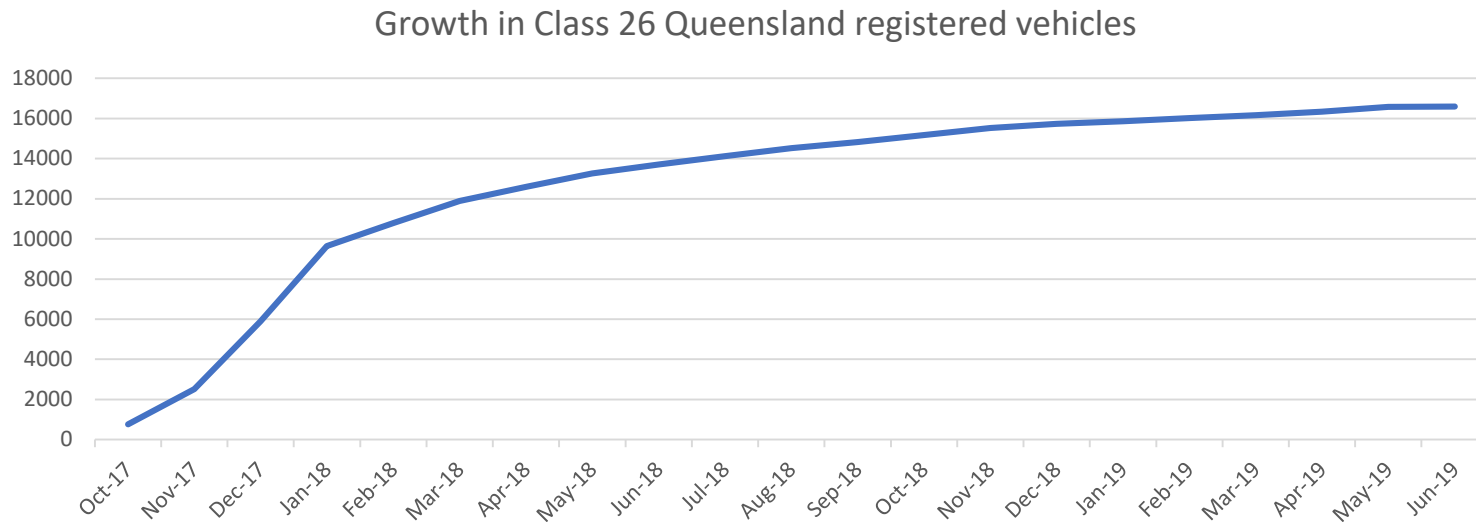
- Approach to pricing and premium factors varies by jurisdiction
- NSW charge Class 1 premium plus 10c per km for metro and 6.5c per km country - no cap on premiums for rideshare, on-charged to passengers
- SA premium includes Lifetime Support Levy of \$163.14
- All other jurisdictions have a set premium but may have geographic zone pricing
- Queensland Class 26 July 2019 premium \$674.60... up from \$576.20 at July 2018

Ride-booking premiums nationally



- Queensland premium increased due to higher relativity for Class 26 (from 157% to 200% Class 1)
- NSW charge base premium plus extra premium per fare paying kilometre travelled

QLD ride-booking vehicles since Class 26 inception



- Class 26 showing steady growth....16,595 vehicles at June 2019
- Significantly higher than initially assumed numbers
- Mix of full-time vs part-time drivers not yet evident to MAIC

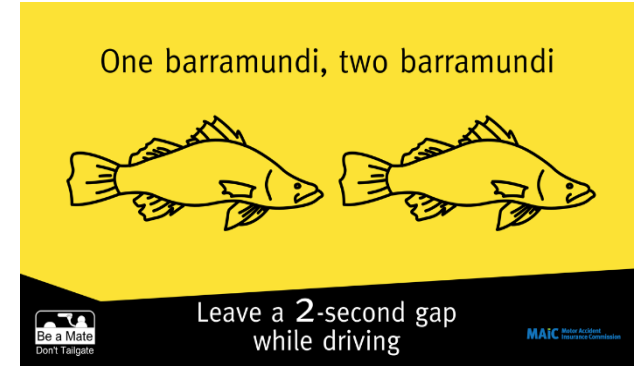


A quick look at some scheme initiatives



'Be a mate' campaign

- MAIC marketing initiative
- Reduce incidence of tailgating
- Behavioural insights
 - Marketing campaign
 - YouTube videos
 - Changing behaviours
- Be a Mate
 - Don't tailgate
 - Anticipate
 - Concentrate



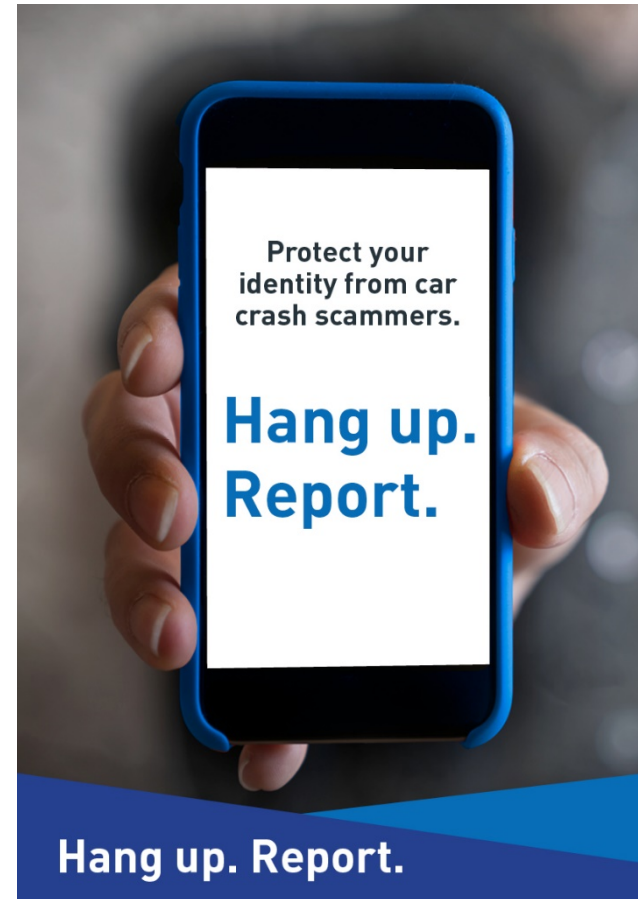
Road safety campaign with RACQ

- Multimedia campaign focused on driver distraction
- Raise awareness of 'do not disturb' feature on mobile phones
- Reduce incidence of 'nose-to-tail' collisions



Car crash scammers campaign

- Legislative reforms to protect Queensland community from harassing phone calls
- Scammers gain access to people's private information. Callers impersonate MAIC, insurers etc.
- Calls can be harassing and intimidating. Then on-sell details to law firms
- Reforms will make car crash scamming illegal – both in terms of calling, and paying for referrals



Concluding remarks

- TCQ is an important stakeholder in the CTP insurance scheme
- MAIC remains willing to assist the taxi industry to reduce incidence of claims
- This will help improve premiums into the future
- Continued investment in research initiatives

Thank you

Stay connected with us via social media



Motor Accident Insurance Commission



@maicqld



@maicqld