

Appendices

Appendix 1: Actuarial certificate, Nominal Defendant Fund

Actuarial Certificate

Queensland Nominal Defendant Fund

Outstanding Claims Liability as at 30 June 2018

The State Actuary's Office was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities as at 30 June 2018 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 "Outstanding Claims Liability Review 30 June 2018 Nominal Defendant". The advice set out in our report has been prepared in compliance with the relevant accounting standard AASB 137 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The recommended provision for the Nominal Defendant as at 30 June 2018 is \$111.3 million, comprising the central estimate of the liability for outstanding claims. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses.

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.

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 to be expected.



A.A. van den Berg
Fellows of the Institute of Actuaries of Australia
30 July 2018



M. J. Clacher

Appendix 2: Actuarial certificate, Nominal Defendant Fund – FAI run-off

Actuarial Certificate

Queensland Nominal Defendant Fund – FAI Run-Off Outstanding Claims Liability as at 30 June 2018

The State Actuary's Office was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities in respect of the FAI run-off as at 30 June 2018 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 "FAI Run Off Outstanding Claims Liability Review 30 June 2018 Nominal Defendant". The advice set out in our report has been prepared in compliance with the relevant accounting standard AASB 1023 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The recommended provision for the Nominal Defendant as at 30 June 2018 is \$4.0 million, comprising the central estimate of the liability for outstanding claims and a prudential margin. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses. The prudential margin of 16% of the central estimate allows for the risk and uncertainty associated with the estimated liability.

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.

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 to be expected.



A.A. van den Berg
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30 July 2018



M. J. Clacher

Appendix 3: Licensed insurers

Currently licensed CTP insurers

AAI Limited (trading as Suncorp Insurance)

GPO Box 1453
Brisbane QLD 4001
Ph 13 11 60
ABN 48 005 297 807

Allianz Australia Insurance Limited

GPO Box 2226
Brisbane QLD 4001
Ph 131 000
ABN 15 000 122 850

QBE Insurance (Australia) Limited

GPO Box 1072
Brisbane QLD 4001
Ph 133 723
ABN 78 003 191 035

RACQ Insurance Limited

PO Box 3004
Logan City DC QLD 4114
Ph: 07 3893 9001
ABN 50 009 704 152

Previously licensed CTP insurers

Insurance Australia Limited (trading as NRMA Insurance)

ABN 11 000 016 722 *Licence withdrawn 1 January 2014.*

Suncorp Metway Insurance Limited

ABN 83 075 695 966 *Licence withdrawn 1 July 2013.*

Australian Associated Motor Insurers Limited

ABN 92 004 791 744 *Licence withdrawn 1 July 2013.*

FAI Allianz Limited (trading as FAI Insurance)

ABN 80 094 802 525 *Licence withdrawn 1 July 2002.*

FAI General Insurance Company Limited

ABN 15 000 327 855 *Licence suspended on 1 January 2001. Insurer became insolvent on 15 March 2001.*

Fortis Insurance Limited (formerly VACC Insurance Co. Limited)

ACN 004 167 953 *Licence withdrawn 25 September 2017.*

Zurich Australian Insurance Limited

ACN 000 296 640 *Licence withdrawn 15 November 1997.*

Commercial Union Assurance of Australia Ltd

ACN 004 478 371 *Licence withdrawn 1 March 1997.*

CIC Insurance Limited

ACN 004 078 880 *Licence withdrawn 22 January 1996. Insurer became insolvent on 15 March 2001.*

GIO General Limited

ACN 002 861 583 *Licence withdrawn 30 June 1996.*

Mercantile Mutual Insurance (Australia) Ltd

ACN 000 456 799 *Licence withdrawn 1 November 1996.*

Appendix 4: Performance statement (SDS)

Service Standards	Notes	2017-18 Published Annual Target	2017-18 Revised Annual Target	2017-18 Actual
<i>Effectiveness measure</i>				
Highest filed CTP premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings		<45%	<45%	23.24%
<i>Efficiency measures</i>				
Percentage of the Nominal Defendant claims finalised compared to the number outstanding at the start of the financial year	1	50%	50%	68.2%
Percentage of Nominal Defendant claims settled within two years of compliance	2	50%	50%	72.5%
Percentage of Nominal Defendant claims with General Damages paid within 60 days of the settlement date		95%	95%	98.1%

Notes:

1. Favourable variance is due to higher than anticipated number of claims being finalised.
2. Claims can take two to three years to settle; consequently, it is difficult to estimate the number of claims that will be finalised in any given period.

Appendix 5: Grants and sponsorships

Organisation	Future commitment*	2017/18 \$	2016/17 \$
RECOVER Injury Research Centre formerly CONROD (2014-2019) incorporating: University of Queensland Griffith University allocation	\$1,307,298 discontinued	2,235,840	2,015,737 1,105,322 910,415
Centre for Accident Research and Road Safety Queensland (CARRS-Q)(2016 – 2019)	2,873,998	2,574,795	2,714,120
Department of Transport and Main Roads Funding to support Transport Academic Partnership 2015-2020 - formerly Academic Strategic Transport Alliance (ASTRA).	118,499	57,090	110,018
University of Sunshine Coast Young driver situation awareness fast tracking including identifying escape routes (SAFER): a pilot project.	0	30,924	0
Griffith University Spinal Cord Therapy research	1,629,427	1,706,353	1,738,289
Police Citizens Youth Welfare Association (PCYC Queensland) Funding to support operation of Braking the Cycle program across 14 branches	3,455,368	0	1,707,938
Spinal Life Australia Back 2 Work – Vocational rehabilitation project	176,791	171,613	186,675
The George Institute for Global Health – Contribution towards ongoing costs of Physiotherapy Evidence Database (PEDro).	0	0	25,000
University of Sydney Partnership funding to develop website to support improved physiotherapy treatment for people with whiplash.	0	0	8,000
University of Queensland To support a Professorial Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2015-2020)	600,000	300,000	300,000
Griffith University Partnership funding to develop and test a decision system for identifying housing options, preferences and priorities in the disability market.	0	55,762	71,489
Metro South Hospital and Health Service Transitional rehabilitation service pilot (2016-2021)	9,043,922	1,285,392	3,609,797
University of Queensland via Children’s Health Foundation Queensland Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2017 – 2022)	750,000	250,000	0
Griffith University Partnership funding to develop a clinical pathway of care for whiplash injury.	73,750	36,875	0
Griffith University Partnership funding to establish a Professor of Disability and Rehabilitation.	0	30,000	30,000
Spinal Life Australia Contribution towards continuation of Queensland school awareness programme –Spinal Education Awareness Team (SEAT).	200,000	0	0
Griffith University Provide funding to establish Hopkins Centre to foster research into disability and rehabilitation.	4,442,834	883,471	0
Queensland University of Technology Establish Trauma Data Warehouse Fellowship	406,799	194,079	0

Organisation	Future commitment*	2017/18 \$	2016/17 \$
University of Queensland Funding to pilot social skills training program (PEERS) with children with acquired brain injury.	55,294	74,171	0
Queensland University of Technology Identifying pre-hospital retrieval pathways for road trauma patients.	150,000	150,000	0
University of Sunshine Coast A study of situation awareness fast tracking, including identifying escape routes (SAFER) with senior drivers.	84,369	84,369	0
Behaviour Innovation Design and deliver an evidence based behaviour change program specifically targeting rear-end car crashes in Queensland.	0	114,350	0
University of Sunshine Coast A study of situation awareness fast tracking, including identifying escape routes (SAFER) focused on peer passengers.	89,492	89,491	0
Jamieson Trauma Institute Advance trauma prevention, research, trauma systems and clinical management to deliver best possible care for people who suffer a traumatic injury.	8,096,520	0	0
University of Sunshine Coast Process and impact evaluation of Braking the Cycle program incorporating SAFER	95,963	0	0
Centre for Accident Research and Road Safety (CARRS-Q) Undertake analysis of fatal and serious injury crashes by region	39,000	39,000	0
Road Trauma Mitigation Fund Collaborate with Queensland Police Service and Department of Transport and Main Roads around identified initiatives to reduce claims frequency and support QLD Road Safety Strategy and Action Plan.	6,639,682	8,066,249	4,250,312
Transport New South Wales Contributory funding towards Motorcycle Protective Clothing testing initiative.	80,000	0	0
Department of Transport and Main Roads Contributory funding towards Cooperative and Autonomous Vehicle pilot	12,000,000	0	0
Sponsorships Provide sponsorships to one-off activities aimed at accident prevention or enhancing injury management/rehabilitation.	0	500	7,727
Total funding committed/allocated	52,409,006	18,430,324	16,775,102
Less refunds of residual grant funding			
Road Trauma Mitigation Fund		(279,940)	0
RECOVER Injury Research Centre formerly CONROD (2014-2019)			
University of Queensland –		(143,925)	0
Griffith University –		(4,469)	0

Organisation	Future commitment*	2017/18 \$	2016/17 \$
Centre for Accident Research and Road Safety (CARRS-Q) Improve knowledge around driving conditions, patterns, locations and driver behaviours that lead to unsafe headway or inter-vehicular distance and tailgating.		(106,527)	0
Queensland University of Technology Establish Trauma Data Fellowship (interim period)		(31,264)	0
Centre for Accident Research and Road Safety (CARRS-Q) Improving taxi driver safety with a smartphone feedback system: A pilot study		(10,652)	0
Spinal Life Australia Equipment for rehabilitation assessment centre		(1,059)	0
Total Funding Returned		(\$577,836)	0
GRANT TOTAL (Allocated less returned)		\$17,852,488	16,775,102

* Estimate of grant funding committed for expenditure from 1 Jul 2018.

Ongoing projects funded in previous years

In the majority of cases, the following projects were previously funded by the Commission through the provision of a one-off payment. This payment is held in trust with the interest used to fund the ongoing operations of each project. The progress of these projects is monitored through regular activity and financial reporting.

- Royal Australian College of General Practitioners Research Fellowship
- Royal Australasian College of Physicians Research Fellowship
- Royal Australasian College of Surgeons Research Fellowship
- University of Queensland
 - School of Human Movement Studies Teaching and Community Services Rehabilitation Research Fellowship

Research centres

The two Commission-funded research centres (RECOVER and CARRS-Q) produce six-monthly activity and financial reports covering the research conducted within the centres and providing details on projects funded through other competitive grant processes.

Further information on CARRS-Q and RECOVER'S research and activities is available by visiting www.carrsq.qut.edu.au and www.recover.edu.au

Appendix 6: Glossary

Term	Definition
Claim farming	A process where people are contacted unexpectedly by someone they do not know about being involved in a motor vehicle accident. Claim farmers may use unethical or high-pressure tactics to obtain personal details or encourage people to submit or exaggerate a CTP insurance claim.
Compulsory Third Party (CTP) insurance	In Queensland, CTP insurance protects motor vehicle owners and drivers from being personally sued if they are responsible for injuring someone in a motor vehicle accident. It also enables the injured person to claim fair and timely compensation for their injuries and access prompt medical and rehabilitation treatment.
Long-tail and short-tail insurance	In general terms, this name stems from the length of time (the tail) that it takes for a claim to be made and settled. For short-tail insurance products, claims are usually known and settled within 12 months. For long-tail insurance products, claims may not even be reported within 12 months, and settlements can take many years.
<i>Motor Accident Insurance Act 1994</i> (MAI Act)	Legislation that governs Queensland's CTP insurance scheme.
Motor Accident Insurance Commission (MAIC)	A statutory body established under the MAI Act to regulate Queensland's CTP insurance scheme. This includes licensing and supervising the four private insurers who cover the risk of Queensland motor vehicle owners through the scheme.
<i>Motor Accident Insurance Regulation 2004</i>	Legislation that governs Queensland's CTP insurance scheme. This regulation will expire on 31 August 2018 and will be replaced by the <i>Motor Accident Insurance Regulation 2018</i> .
Nominal Defendant (ND)	A statutory body that acts as a licensed insurer in the CTP insurance scheme for claims that involve motor vehicles that are unidentified or not covered by CTP insurance. It also meets the claims costs associated with licensed insurers that become insolvent.
<i>National Injury Insurance Scheme Queensland Act 2016</i> (NIISQ Act)	Legislation that governs the National Injury Insurance Scheme Queensland.
National Injury Insurance Scheme Queensland (NIISQ)	A scheme to ensure that people who suffer particular serious personal injuries as a result of a motor accident in Queensland receive necessary and reasonable treatment, care and support, regardless of who was at fault.
National Injury Insurance Agency Queensland (NIIAQ)	The agency that administers the National Injury Insurance Scheme Queensland.
Queensland Audit Office (QAO)	The independent auditor that promotes accountability and transparency in the Queensland public sector.