

# Queensland Compulsory Third Party Scheme

## Vehicles Insured as at 30 June 1997

Insurance Class	Number of vehicles	Percentage	Premium from 1.7.97
1	1,580,290	72.01	\$230
2	4,517	0.21	\$230
3	2,562	0.12	\$920
4	14,950	0.68	\$782
5	3,675	0.17	\$21
6	365,694	16.66	\$230
7	45,032	2.05	\$644
8	5,243	0.24	\$230
9	2,123	0.10	\$230
10	3,075	0.14	a
11	4,051	0.18	b
12	26,407	1.20	\$55
13	41,263	1.88	\$230
14	27,666	1.26	\$64
15	8,822	0.40	\$64
16	725	0.03	\$230
17	53,667	2.45	\$104
19	552	0.03	\$21
20	397	0.02	\$21
21	42	0.00	\$115
23	3,681	0.17	\$230
24	37	0.00	\$230
<b>Totals</b>	<b>2,194,471</b>	<b>100.00</b>	

a \$250 + \$21 per adult passenger seat in excess of 7

b \$250 + \$45 per adult passenger seat in excess of 7

## Premium, Levy and Fee Collection from 1 July 1996 to 30 June 1997

<b>Gross Premium</b>	<b>\$534,714,291</b>
Hospital Levy	\$9,362,138
Emergency Services Levy	\$1,872,428
Department of Transport Fee	\$8,421,751
Nominal Defendant Levy	\$16,041,429
MAIC (Statutory Insurance Scheme) Levy	\$3,343,621
<b>Net Premium</b>	<b>\$495,672,924</b>



## Market Share - Licensed Insurers

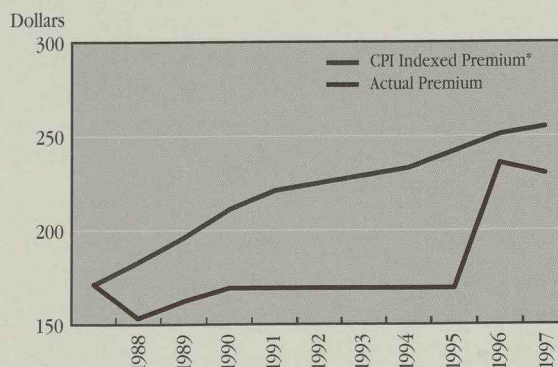
INSURER	1/9/94 units	30/6/95 units	30/6/96 units	30/6/97 units	30/6/97 premium
AAMI	2.27	2.74	3.36	4.24	4.06
CIC (Licence withdrawn 22/01/96)	0.02	0.11	0.08	0.00	0.00
Commercial Union (Licence withdrawn 01/03/97)	1.27	1.57	1.63	0.97	0.96
FAI	30.62	29.45	27.21	25.93	25.56
GIO (Licence withdrawn 30/06/96)	0.12	0.28	0.43	0.01	0.00
Mercantile Mutual (Licence withdrawn 01/11/96)	0.79	0.82	0.84	0.26	0.28
MMI	2.28	2.96	3.38	3.56	4.15
QBE	0.01	0.09	0.22	0.36	0.42
Suncorp	57.15	56.10	56.40	57.63	57.53
VACC	5.13	5.73	6.28	6.80	6.78
Zurich	0.00	0.08	0.17	0.24	0.26

In accordance with the Motor Accident Insurance Regulation 1994, an insurer's share of the market for CTP insurance business is worked out by adding the insurance premiums received by the insurer during the relevant financial year for all classes of CTP insurance business (as shown in transport administration's records) and expressing the total amount as a percentage of the total insurance

premiums received by all licensed insurers during the same financial year for the insurance of Class 1, Class 6 and Class 7 motor vehicles. Prior to the 1996/97 financial year, this premium-based calculation was not available and therefore market share was reported based on number of vehicles insured, i.e. units. An insurer's licence is subject to the condition that the Commission must withdraw the licence if the licensed insurer does not, at the end of the financial year in which the fifth anniversary of the grant of the licence falls, have a share of the market for CTP insurance equal to or greater than 5%. The insurer must maintain this minimum level of market share in subsequent financial years.

## CTP Premium

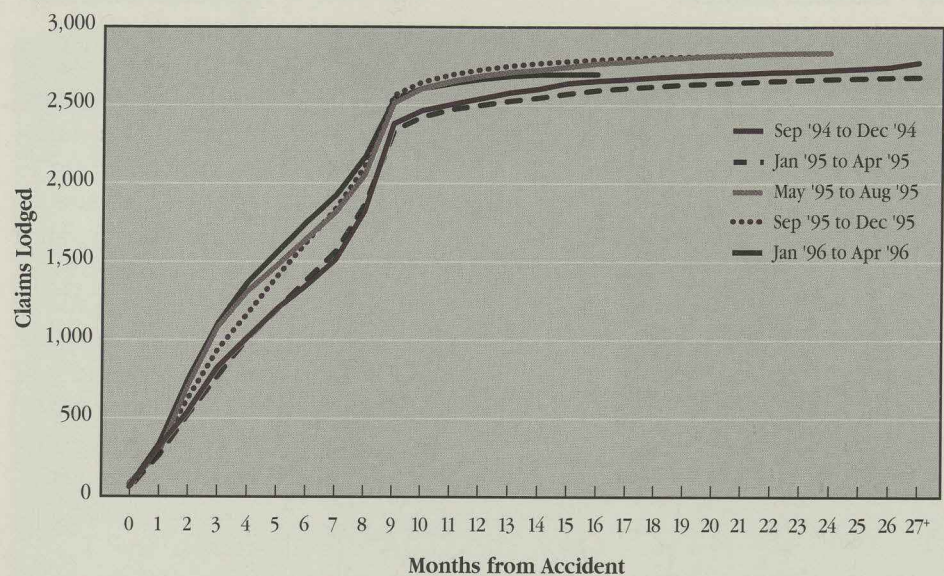
Although the fundamentals which influence the calculation of CTP insurance premiums (i.e. claims frequency and average claim size) differ from the fundamentals contributing to growth in the CPI, the accompanying graph highlights the relative affordability of CTP premiums since 1987. This graph plots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



\* CPI calculation based on Brisbane Metropolitan Index



Cumulative Claim Lodgements by Accident Period  
Data as at 30 June 1997



In accordance with the Motor Accident Insurance Act 1994, a notice of claim must be given to the insurer within 9 months after the motor accident or the first appearance of symptoms of the injury. This graph demonstrates that the majority of claims have been lodged within the 9 month timeframe to comply with the Act.

Notice of Claim Lodgements to 30 June 1997  
(All Insurers) Accidents 1 September 1994 to 30 June 1997

Injury Quarter	Development Quarter										Total
	1	2	3	4	5	6	7	8	9	10+	
Dec 94 *	455	685	589	739	121	68	32	27	24	32	2,772
Mar 95	220	488	492	614	77	48	33	15	12	5	2,004
Jun 95	258	651	418	557	75	48	25	15	11		2,058
Sep 95	284	644	466	599	92	51	28	19			2,183
Dec 95	213	687	481	568	92	30	16				2,087
Mar 96	262	729	477	491	61	12					2,032
Jun 96	305	746	418	441	69						1,979
Sep 96	303	846	412	350							1,911
Dec 96	286	769	351								1,406
Mar 97	260	590									850
Jun 97	216										216
<b>Total</b>	<b>3,062</b>	<b>6,835</b>	<b>4,104</b>	<b>4,359</b>	<b>587</b>	<b>257</b>	<b>134</b>	<b>76</b>	<b>47</b>	<b>37</b>	<b>19,498</b>

\* This period covers accidents for four months September - December 1994.



## Claims Status

INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Nom. Defendant	VACC	TOTAL
Claims Received	143	7	106	1,838	15	274	64	2	5	3,674	263	443	6,834
Liability Determined	142	3	106	1,736	14	254	64	1	5	3,598	256	420	6,599
Percentage Determined	99	43	100	94	93	93	100	50	100	98	97	95	97
Finalised	70	4	63	997	10	170	36	1	3	1,981	154	241	3,730
Percentage Finalised	49	57	59	54	67	62	56	50	60	54	59	54	55

### Accident Year - 1 September 1994 - 30 June 1995 (10 months)

INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Nom. Defendant	VACC	TOTAL
Claims Received	211	7	112	2,091	29	410	76	8	7	4,448	370	512	8,281
Liability Determined	196	5	109	1,828	27	307	66	8	3	4,134	339	431	7,453
Percentage Determined	93	71	97	87	93	75	87	100	43	93	92	84	90
Finalised	71	4	37	724	21	205	27	2	-	1,454	119	174	2,838
Percentage Finalised	34	57	33	35	72	50	36	25	-	33	32	34	34

### Accident Year - 1 July 1995 - 30 June 1996

INSURER	AAMI	CIC	Com. Union	FAI	GIO	MMI	Merc Mutual	QBE	Zurich	Suncorp	Nom. Defendant	VACC	TOTAL
Claims Received	154	0	75	979	11	277	36	9	0	2,377	177	288	4,383
Liability Determined	138	0	69	604	8	159	29	6	0	1,643	93	85	2,834
Percentage Determined	49	-	92	62	73	57	81	67	-	69	53	30	65
Finalised	21	0	16	106	2	49	4	0	0	248	14	31	491
Percentage Finalised	14	-	21	11	18	18	11	-	-	10	8	11	11

### Accident Year - 1 July 1996 - 30 June 1997

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



**Payment Dissection by Insurer - All New Act Claims (Payments from 1 September 1994 to 30 June 1997)**

Code	Payment Type	AAMI	CIC	CU	FAI	GIO
A1	Aids and appliances	19,585			74,143	
C1	Long-term care and home care	37,587			801,344	16,322
E1	Economic loss - past	95,588	983		1,570,545	16,635
E2	Economic loss - future	134,246			1,840,063	15,000
G1	General damages	1,093,918	31,524	1,802,768	15,505,651	155,569
H1	Home and vehicle modifications				83,146	
L1	Investigation costs	56,580	10,321	1,496	722,028	3,078
L2	Legal costs - plaintiffs	277,164	2,500		2,373,091	40,494
L4	Legal costs - defendants (solicitors)	65,665	1,354	91,734	463,824	22,779
L5	Legal costs - defendants (barristers)	6,993			46,069	
L6	Legal costs - defendants (other outlays)	18,364		9,441	30,738	3,373
M1	Hospital, medical, pharmaceutical	330,588	10,100	130	2,697,390	33,134
N1	Payments to interstate and non CTP insurers					
P1	Other	25,612		5,511	116,195	1,625
R1	Rehabilitation service costs	79,601	12,093		773,417	5,120
V1	Recoveries from insured					
V2	Other party (other than through sharing)	(425)				
V3	Nominal Defendant recovery					
<b>TOTALS</b>		<b>2,241,066</b>	<b>68,875</b>	<b>1,911,080</b>	<b>27,097,644</b>	<b>313,129</b>

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



MMI	Merc. Mut.	QBE	ZURICH	SUNCORP	Nom Def	VACC	TOTAL	%
43,934				333,710	269	5,908	477,549	0.44
270,458	6,628			2,103,153	115,057	123,525	3,474,074	3.20
390,857	27,137		2,722	3,665,901	403,194	250,657	6,424,219	5.93
418,140				7,166,098	664,275	285,581	10,523,403	9.71
3,032,570	490,466	19,792	25,778	28,934,671	1,775,103	3,384,005	56,251,815	51.89
284,346				237,577	530	21,000	626,599	0.58
289,888	37,880	300	4,061	967,086	320,257	135,313	2,548,288	2.35
595,657	120,218		7,555	6,318,511	414,187	721,134	10,870,511	10.03
249,709	95,244			884,816	422,043	385,483	2,682,651	2.47
18,241	2,425			102,782	25,786	23,947	226,243	0.21
9,512	1,341			290,791	116,481	67,277	547,318	0.51
504,268	57,049	3,165	1,050	5,489,376	323,784	723,750	10,173,784	9.38
323,966	24,313					1,409	349,688	0.32
45,312	1,220		845	906,250	14,758	204,205	1,321,533	1.22
188,013	6,309	110		1,170,261	157,912	174,252	2,567,088	2.37
						(2,875)	(2875)	(0.00)
(57,418)				(566,346)		(13,518)	(637,707)	(0.59)
					(16,620)		(16,620)	(0.02)
<b>6,607,453</b>	<b>870,230</b>	<b>23,367</b>	<b>42,011</b>	<b>58,004,637</b>	<b>4,737,016</b>	<b>6,491,053</b>	<b>108,407,561</b>	<b>100.00</b>

As an illustration, the net premium collected by insurers from 1 September 1994 to 30 June 1995 was \$271M, while the net premium collected in 1995/96 was \$361M. Claim payments to date are \$68M for the first accident period and \$35M for the second accident period.



**Number of Accidents by Postcode Division  
from 1 September 1994 to 30 June 1997**

Division Number*	Location	Postcode	Number of Accidents
1	Brisbane Area	4000-4072	2,958
		4500-4549	648
		4073-4209	3,859
4	Gold Coast Region	4210-4299	2,081
5	Ipswich Region	4210-4299	654
6	Toowoomba Region	4350-4499	635
		4602-4618	57
7	Mt Isa Region	4825-4834	48
8	Sunshine Coast Region	4550-4601	996
		4619-4689	692
9	Rockhampton Region	4690-4736	335
10	Mackay Region	4737-4805	459
11	Townsville Region	4806-4824	516
		4835-4850	36
12	Cairns Region	4851-4899	769
<b>Total</b>			<b>14,743</b>

\* Australia Post Postcode Divisions (modified)

**Age Group of Claimants for Accidents  
between 1 September 1994 to 30 June 1997**

Age Group	Male	Female	Unknown	Total
Unknown	143	152	73	368
0-5 years	161	152	2	315
6-15 years	440	473	6	919
16-25 years	2,362	2,621	24	5,007
26-35 years	2,189	2,315	16	4,520
36-45 years	1,578	1,817	7	3,402
46-55 years	1,105	1,291	3	2,399
56+	1,111	1,454	3	2,568
<b>TOTAL</b>	<b>9,089</b>	<b>10,275</b>	<b>134</b>	<b>19,498*</b>

\* Average numbers of claims per accident reported = 1.32