

Motor Accident Insurance Commission

# Annual Report

## 2001-2002



# The Commission

## Profile

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

It provides a framework for the determination of premiums and ensures compliance with the provisions of 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 and research.

## Values

We are committed to these fundamental principles:

- Achieving success through leadership, service and teamwork;
- Effective communication with all stakeholders;
- Behaving with integrity and independence.

## 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.

Further information on the CTP Scheme and the Commission's operations can be found at [www.maic.qld.gov.au](http://www.maic.qld.gov.au) or by telephoning the CTP Claims Helpline on 1300 302 568.

The Hon. Terry Mackenroth MP  
Deputy Premier,  
Treasurer and Minister for Sport  
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 2001 to 30 June 2002.

Yours faithfully



Lesley Anderson  
Insurance Commissioner

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# Commissioner's Report

*The past year has been particularly challenging for the insurance industry worldwide, with increasing claims costs, lower investment returns and the events of September 11 having a significant impact. In Australia, the situation has been exacerbated by continuing implications of the collapses of HIH and UMP. HIH was Australia's second largest insurance company and held a large share of the public liability market. The result has been an increase in the cost of all liability insurance classes, in particular public liability insurance and medical indemnity insurance. An underlying increase in propensity to claim and expectations of claim settlements has also contributed to the situation. All State and Territory Governments and the Commonwealth Government have*



*responded by developing a range of strategies to assist, with a particular focus on law reform aimed at reducing claims costs. The issues in the general insurance environment carry over to at least some extent into the CTP environment.*

## Commissioner's Report

The Queensland CTP Scheme has not seen the level of premium increases associated with liability insurance. Nevertheless, there is evidence to suggest that pressure is building on the Scheme, especially in relation to pre-amendment claims. The Commission is cognisant of its responsibility to ensure planning is undertaken to ensure the Scheme's ongoing viability, but is of the view that the reforms to the claims process from October 2000 must be given a chance to prove their level of efficacy before embarking on a further set of reforms. A number of reforms introduced this year through the *Personal Injuries Proceedings Act 2002*, plus the general focus on claim costs at this time, will also contribute to containing claims frequency and claim costs in the CTP Scheme.

### Affordability

Maintaining affordability for the majority of the motoring public is critical to the long-term viability of the Scheme. Scheme affordability is now monitored by an index tied to Queensland Average Weekly Earnings and if premiums for class 1 vehicles (cars and station wagons) exceed the index, the event may trigger a Scheme redesign. The Feature Article on pages 18 to 20 discusses the affordability framework and issues in relation to maintaining affordability of the Scheme.

### Mitigating Risk

Under the current Scheme framework, the State Government is at risk from insurer insolvency through legislation provisions relating to protection afforded injured parties through the Nominal Defendant. It is incumbent on the Commission to examine options to safeguard the integrity of the CTP Scheme in Queensland and limit Government exposure. In February 2002, in conjunction with its Advisory Committee, the Commission completed a Discussion Paper outlining options available for mitigating State Government risk with respect to CTP. The Paper was distributed for comment to licensed insurers in Queensland, licensed insurers in NSW and the ACT, the Insurance Council of Australia, RACQ,

and the Queensland Law Society. Copies of the Discussion Paper are available from the Commission's website. Following receipt of submissions in response to the Paper, and follow-up meetings with various insurers, the Commission developed a narrower set of options for further examination, mainly in the area of quarantining of premium collections from non-CTP risks of the licensed insurance company. Legal, accounting and actuarial advice is being sought in preparation for a Phase 2 Discussion Paper scheduled for release in early November 2002. The insurance industry and other interested parties will then have the opportunity to make submissions on this Paper. At the conclusion of the Phase 2 consultation, a Recommendations Paper will be presented to the State Government for consideration.

### Competitive Premium Model

Combined with the affordability index, the competitive premium setting process allows the market to act with minimal Government control. The premium bands ensure there is neither excessive pricing nor non-viable premium underpricing which could create instability in the Scheme. The Commission determines the premium bands having regard to submissions from insurers and major organisations representing motorists in Queensland, independent quarterly actuarial advice from consulting actuaries and the expertise of the Commission's officers and its Advisory Committee. This initiative has resulted in greater choice for consumers and has delivered competitive premiums especially to class 1 (sedan and station wagon) owners where add-on benefits are often also available, eg. discounts on other products and at-fault driver protection. CTP premiums in Queensland remain relative to other States with the Queensland Scheme one of only three continuing to offer essentially unlimited common law entitlement.

## Claims Process Reforms

Early indications are that the significant modifications made to the claims process from 1 October 2000 are producing a positive outcome especially in respect of lower end claims.

Over the reporting period extensive work has been undertaken with the legal and medical professions and the insurance industry to implement the new and altered claims processes stemming from the October 2000 reforms. The work undertaken includes the dissemination of information to doctors in relation to the introduction of a medical certificate as prerequisite to a claim and negotiations with insurers and the legal profession in relation to the development of protocols for direct contact with represented claimants. There has been considerable discussion on accelerating the pace at which the legal profession and insurers have adapted to the new pre-court provisions, especially the holding of compulsory conferences.

The Commission has commenced a survey of plaintiff lawyers with respect to the conduct and settlement of claims process, focussing on the impact of the 2000 amendments. To date, lawyers have been open and cooperative and all have welcomed the opportunity for their views on the Scheme to be aired directly to the Commission.

## Nominal Defendant

The Nominal Defendant receives its funding for the payment of claims against uninsured and unidentified vehicles from a levy paid by Queensland motorists with their CTP premium and registration. The core Nominal Defendant levy for 2002-2003 is \$12.80 (\$12.40 in 2001-2002) for a class 1 vehicle. To this has been added a \$5 HIH levy.

Nominal Defendant claims require a particularly stringent approach to claim management, especially claims where the involvement of an unidentified vehicle is alleged. Claim managers also pay particular attention to the possibility of fraudulent activities in relation to these claims. Six persons involved with claims against the Nominal Defendant have been successfully prosecuted for fraud over the past eighteen months.

The Nominal Defendant has a right to seek recovery from the owner or driver of the vehicle (or both) of any costs reasonably incurred by the Nominal Defendant on a claim for personal injury, in respect of an unregistered/uninsured vehicle. In 2001-2002 the Nominal Defendant recovered \$192,000 under this provision.

## Communication

The Commission has adopted a number of strategies to make the claims process more accessible to claimants and improve information channels for service providers. These strategies are aimed at providing persons injured in accidents with avenues to seek information on how the Scheme works and also to promote a balance between successful rehabilitation outcomes for claimants and cost containment within the Scheme. These strategies include:

- the provision of a CTP Helpline, from which the public may obtain information on the statutory insurance scheme;
- the provision of up-to-date web-based information packages where users access a wide range of information, electronic claim forms and links to insurers;
- email access to the Commission to address specific queries;
- improved information channels for service providers including information seminars and articles in newsletters of relevant associations; and
- the development of protocols for direct contact between insurers and claimants with respect to rehabilitation.

The CTP Claims Helpline established in October 2000 is averaging 110 calls per week. The Helpline provides information to the public and other stakeholders on all aspects of Queensland's CTP Scheme. A primary role is providing information to potential claimants on the CTP claims processes, including identifying the CTP insurer of the 'at fault' vehicle and advising on the initial timeframes applicable to lodging a claim. Approximately 50% of calls are claims related enquiries, with the remainder covering a broad range of issues generally related to the operation of the CTP Scheme.

A range of injury management and claims information, including claim forms and police report forms, is available from the Commission's website. The development of a claims brochure is currently being explored and will primarily be aimed at providing assistance to those who are lodging a claim without legal representation.

### **Scheme Monitoring**

With the continued pressure on premiums it is essential that the Commission has at its disposal data of the highest quality. Accuracy in data is critical for the purpose of determining premium bands and in planning future changes to the Scheme, aimed at retaining scheme affordability. Summary statistics on the Scheme are presented on pages 21 to 28 of this report.

A dedicated data audit unit is staffed within the Commission and supplemented with outsourced audit resources. A planned audit strategy has been adopted targeting data fields that are particularly relevant to the determination of assumptions underlying the premiums and the cost elements in the settling of claims. The ongoing audit program will continue to target these and other key components of the data over the next twelve months.

In relation to the coding of injuries, the outsourced audit undertaken for the Commission by the CONROD Trauma Registry in 2000-01 has resulted in the provision of training for insurance company staff, establishment of a coding reference group and the implementation of systems to monitor the accuracy of the injury codes recorded in the Scheme data.

### **Licensing**

There are currently six licensed insurers underwriting the Queensland CTP Scheme. The license for the FAI Allianz entity established on 1 January 2001 was withdrawn on 1 July 2002 at the insurer's request. The market segments of FAI Allianz and its parent Allianz Australia have now been merged. One half of the ownership of the RACQ Insurance changed early in the year, when Suncorp Metway purchased GIO's share of the joint venture.

### **GST**

With the introduction of GST on 1 July 2000 and as a result of some unique circumstances surrounding the GST treatment of CTP insurance for Registered Tax Entities (RTEs), the Federal Government provided CTP insurers with GST transitional arrangements which exempted CTP insurance from certain aspects of the GST legislation until 1 July 2003. CTP insurers and regulators in all States, based on the economics of the decision and ongoing administration costs, had urged the Federal Government to continue the transitional arrangements however, Federal Treasury has determined that the transitional arrangements will cease on 1 July 2003.

The effect of the loss of the transitional arrangement is that RTEs will be required to pay a CTP premium which is higher than that applying to private use vehicles but the additional cost to RTEs will be offset by their entitlement to an Input Tax Credit (ITC) for the GST levied on the premium paid. Under the current transitional arrangements RTEs pay the same premium as the private use motorist but are not entitled to claim an ITC. One possible option to save administrative effort would have been to adopt a single premium model where private and business vehicles would have faced a premium rise so that business vehicles could claim their Input Tax Credit under the permanent GST arrangements. This was not seen as an equitable approach. Special arrangements are also proposed for those businesses who do not claim a 100% ITC entitlement.

The *Motor Accident Insurance Act 1994* is being amended to accommodate these requirements.

### **Matters Relating to HIH Insurance**

From 15 March 2001, claims against FAI Insurance CTP policies that had expired on or before 31 December 2000, became the responsibility of the Nominal Defendant. A temporary arrangement was put in place from 23 March 2001 for Allianz Australia Limited to manage the claims on behalf of the Nominal Defendant on an operational cost recovery basis. Following an expression of interest process, the Nominal Defendant extended the

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## Commissioner's Report

management arrangement with Allianz Australia Limited to manage claims on a cost recovery basis for a period of three years from 1 July 2001 to 30 June 2004 utilising Allianz staff under Nominal Defendant control. The conversion of FAI claims to the Nominal Defendant claims management computer system has been successfully completed, enabling closer monitoring by the Nominal Defendant of Allianz's claims management.

In December 2001 the *Motor Accident Insurance Act 1994* was amended to authorise the transfer of \$58M from the Motor Accident Insurance Fund to the Nominal Defendant Fund to assist in meeting the cost of FAI liabilities. The increase of \$5 per class 1 vehicle in the Nominal Defendant levy applying from 1 October 2001 is also assisting in addressing the shortfall. The remainder of the funding is being provided by Queensland Treasury under a Deed of Indemnity.

The Nominal Defendant's ultimate liability will depend on the insolvency dividend eventually received from the liquidator. In my role as the Nominal Defendant, I am a member of the Committees of Inspection established by the

liquidator, KPMG. The Committees represent the main body of creditors by providing advice, consent and ratification of things necessary for the winding up of affairs of the HIH group of companies. KPMG advise that it may be a further 10 years before the final dividend is distributed.

The HIH Royal Commission is scheduled to report its findings and recommendations by 28 February 2003. As the regulator of the CTP Scheme in Queensland, the Commission has prepared a submission in response to the Royal Commission's call for submissions on the future policy directions for the regulation and supervision of general insurance, and has also produced documents at the request of the Royal Commission.

### Research

Since its establishment in 1994, the Commission has funded research across the continuum from accident prevention, to treatment and rehabilitation, to community integration and long-term support for accident victims by making one-off and recurrent funding grants to universities, hospital foundations, and medical colleges. It was



Lesley Anderson with Professor Dennis Gibson, Vice Chancellor, QUT – Signing the funding agreement for CARRS-Q on 23rd April

## Commissioner's Report

particularly pleasing during the year to be advised that the four outreach projects funded by the Commission for an initial five years to assist injured children and persons with spinal injuries or acquired brain injuries have been integrated into the ongoing operations of Queensland Health.

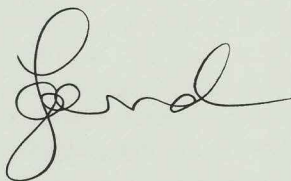
Funding for injury prevention and control initiatives comes mainly from the annual investment income of the Motor Accident Insurance Fund. As a large proportion of the capital available in the Motor Accident Insurance Fund was used to contribute to payment of the outstanding FAI claims liabilities that have now become the responsibility of the Nominal Defendant, the interest earned on the Fund has been significantly reduced. As a result, the Commission's grant activities will be limited to existing commitments and new initiatives which are considered of paramount priority.

It is the Commission's intention to channel most of its future research funding through its two research centres: CONROD (Centre of National Research on Disability and Rehabilitation Medicine) and CARRS-Q (Centre for Accident Research and Road Safety – Queensland). However, from time to time some projects might be considered for direct funding. This move is aimed at improving the efficiency and effectiveness of funding by ensuring the projects are well designed and receive rigorous scientific evaluation at all stages from proposal to completion. It will facilitate a coordinated approach to research that targets any stage of the injury control continuum from accident prevention to rehabilitation and community reintegration. It will also ensure research is undertaken in a coordinated and collaborative way. The Commission has taken steps to ensure that other Government Departments and Agencies have input into the activities of these Centres.

### Outlook

The next year will see considerable activity with the ongoing assessment of current and proposed claims process reforms, and the ultimate link to the affordability framework for our Scheme. There will also be a need to assess possible structural reforms in relation to the regulatory environment, either from the recommendations of the HIH Royal Commission on Future Policy Directions, or from our own Mitigating Risk Discussion Paper process. Robust consultation with the insurance industry and the legal profession will be important going forward. But the balance between the premium paying motorist and the injured person is the paramount issue.

Staff of the Commission and the Nominal Defendant have been working under particular pressure for most of the year. Several key people were diverted from their usual roles to work with the Liability Insurance Taskforce and on general insurance issues including tort reform. This placed considerable strain on the office's resources and I would like to thank all staff for their commitment and effort throughout this period.



**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.

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

A competitive premium model allows insurers to determine their premiums within floor and

ceiling premiums set by the Commission. An efficient system of premium collection through the motor registry of Queensland Transport minimises administration costs within the scheme and provides 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 structure of the schemes differ, all CTP authorities in Australia participate in regular forums to address common issues for all the State schemes.

## Corporate Profile

### Key Functions

The primary activities of the Commission include:

- Keeping the statutory insurance scheme generally under review and making recommendations for its amendment;
- Ensuring premium affordability by reporting to Government on the cost trends of the scheme and developing 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 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 of insurers and monitoring insurer claims management compliance;
- Licensing Queensland compulsory third party motor vehicle insurers and monitoring the financial strength of insurers in relation to their CTP operations. Insurers' overall financial strength is the responsibility of the industry regulator, APRA;
- Fixing premium ranges and recommending scheme levies to Government;
- Providing an information service to policyholders 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 management 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, Noel Mason and Shauna Tomkins.

### Funding

The Motor Accident Insurance Commission is funded by a statutory levy within the CTP premium. From 1 July 2001 the levy was set at \$1.10 per vehicle. For the year 2001-2002 the levy produced income of \$2.783M. 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 which varies by vehicle class. The levy is set on the basis of an actuarial assessment of claim trends. From 1 July 2001, for Class 1 vehicles the levy was set at \$12.40. For the reporting period, the earned income from the core levy totalled \$30.822M.

Upon the insolvency of FAI General Insurance Company Ltd on 15 March 2001 the Nominal Defendant assumed responsibility for claims against FAI policies that had expired as at 31 December 2000. To assist in funding the CTP liabilities of FAI, the Nominal Defendant levy increased by a maximum of \$5.00 from 1 October 2001. Earned income from the additional levy was \$3.747M over the reporting period. The Queensland Government also provides substantial additional funding to supplement the shortfall.

# 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 Insurance 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 1977*.

## Freedom of Information

During the reporting period, no applications were received by the Nominal Defendant for the release of information under the provisions of the *Freedom of Information Act 1992*. The Commission received one application for the release of information, which was deemed refused and subsequently the applicant has applied for an external review with the Information Commissioner.

## Internal Audit

The Management Audit Services Branch of Queensland Treasury provides internal audit services to the Motor Accident Insurance Commission. When working with the Commission and the Nominal Defendant, the internal audit's aim is to assess financial and administrative control systems and to seek 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 internal audits are reported to the Under Treasurer and include opinions regarding the adequacy and effectiveness of financial, operational, administrative and computer controls. Additionally, recommendations may be made for strengthening and enhancing controls if any weaknesses or breakdowns are evident.

The most recent audits undertaken for the Commission were reviews of the processes and procedures utilised in the management of the FAI CTP claims run-off and the preparation of the End of Year Financial Statements.

# Staff Matters

*The Motor Accident Insurance Commission is a dynamic organisation reflecting the professionalism and diversity of its staff.*

Staff from both the Commission and the Nominal Defendant possess a wide range of skills, knowledge and experience, with continued development and the pursuit of excellence encouraged through formal training programs and staff rotations. Knowledge sharing between staff and across areas is critical to the ongoing success of the Commission's operations. The Commission is committed to ensuring an effective working environment that is safe, equitable, free from discrimination and conducive to the achievement of excellent results.

The combined staffing level of the Commission and the Nominal Defendant has reached 31 reflecting the Commission's broader responsibilities with respect to regulating Queensland's CTP scheme and managing the Nominal Defendant Fund.

The Injury Management and Claims area was redefined early in the year to allow improved monitoring and analysis of the injury management process and in the longer term lead to earlier and more efficient claims settlement and a sustainable, affordable scheme. As a result of the restructure, greater emphasis has been placed on liaison with legal, medical and insurance professionals with respect to claims management processes, court decisions and settlement rates. The section's resources have been strengthened with the permanent appointments of:

- Kim Birch as Manager, Injury Management and Claims
- David Vincent as Policy Adviser, Injury Management and Claims
- Cathy Pilecki as Policy Adviser, Injury Management

A Project Officer position has been created to assist the Commissioner and Deputy Commissioner with the range of policy development tasks that arise from time to time. Janette Archibald has been appointed to this position. The major projects over the reporting period were the Mitigating Risk discussion paper process and linkages with the HHH Royal Commission.

The operations of the Nominal Defendant have also been reinforced with the appointment of Rob Lee as Assistant Manager.

The linkages with and support from Queensland Treasury personnel are also acknowledged. Troy Dunton replaced Andrew Rowe as the Commission's IT support following Andrew's move interstate. Sharon Dryden has been on loan to the Commission from the Office of the Under Treasurer for six months to work in the Policy and Liaison area.

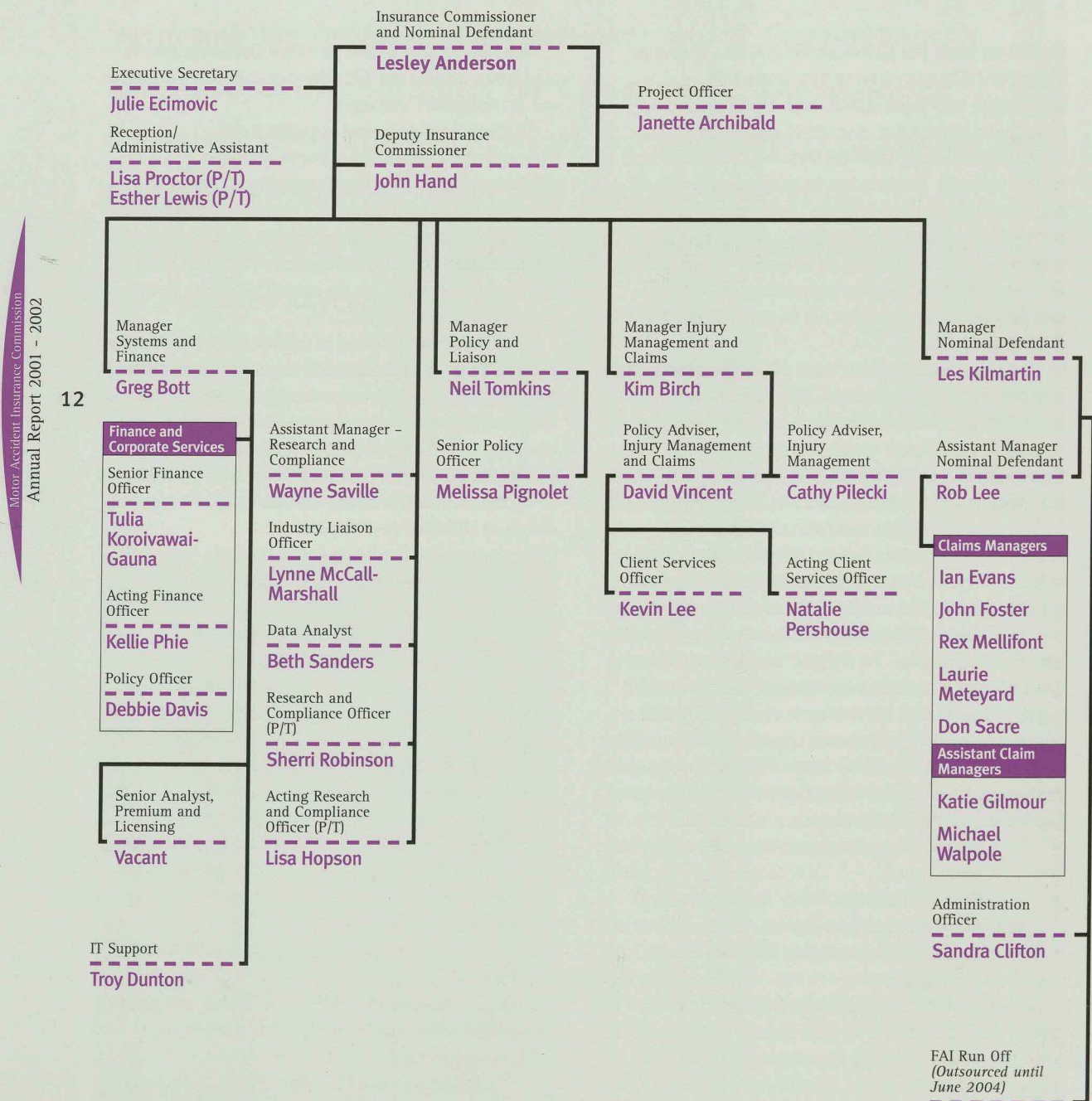
The Commission aims to continually develop the professional skills of its staff by promoting ongoing training, offering educational opportunities and encouraging career development. Strategies adopted to achieve this goal also include staff participation in the Individual Performance System (IPS), the Professional Excellence Program and the Treasury Leadership Program.

**In accordance with the legislation, this report covers operations relating to the CTP Scheme. From October 2000 the Commission was allocated the role of overseeing the establishment and operation of the Queensland Government Insurance Fund (QGIF) on behalf of Queensland Treasury. Over the reporting period, Max Leo and Maurie Foley have been appointed to assist Michael Reynolds in managing QGIF.**

**In response to issues with the cost and availability of liability insurance, the Queensland Government established a Liability Insurance Taskforce to examine both short term and long term solutions to assist the community in general. Predominantly as a result of the wealth of insurance experience held by staff, the Commission has had significant involvement in the Taskforce, with John Hand and Melissa Pignolet taking a lead role in its work.**

**Formal and financial reporting in relation to QGIF and the Liability Insurance Taskforce functions are included in the Queensland Treasury annual report.**

# Management and Organisational Structure



**Manager  
Systems and Finance**

*Greg Bott*

*B.Bus.(Accy) Grad Dip.App.Fin and 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 eleven years experience in accident compensation insurance.*

**Manager  
Injury Management  
and Claims**

*Kim Birch*

*BHSc. RN- Appointed as Manager, Injury Management and Claims in 2001. Nursing background covering all areas of clinical care and management and a further six years experience with the insurance industry working with compulsory third party claims.*

**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**

*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.*

**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.*

**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.*

# Strategic Plan 2002-2007

## Vision

Our vision is to lead the way in the provision of effective and efficient personal injury 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 accident prevention and injury management.

## Values

We are committed to these fundamental principles:

- Achieving success through leadership, service and teamwork.
- Effective communication with all stakeholders.
- Behaving with integrity and independence.

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## Key issues facing the office

The Commission's focus on key issues in managing and monitoring the Queensland CTP scheme include:

- Premium affordability and overall stability of the scheme, given developing trends in claims costs.
- Increasing efficiency to ensure the highest possible return of premium dollars reach claimants. Areas of focus include policy and claims analysis, monitoring performance output measures and the development of appropriate computer software for claims and data management.
- Maintenance of insurance standards through regular and detailed contact with Australian Prudential Regulation Authority (APRA) as prudential regulator with responsibility for the overall financial strength of insurers under the Insurance Act 1973 and the General Insurance Reform Act 2001.
- Ongoing analysis of licensed CTP insurer financial strength in relation to their CTP operations including reviewing and recommending the most appropriate structure for the scheme.
- Monitoring the operation of the scheme and the management of claims by insurers.

- Increasing the community's awareness of the scheme and its claims process. Education, research and funding initiatives aim to inform the community and support initiatives that advance accident prevention and injury management.
- Funding and managing the claims liabilities of FAI policies expired as at 31 December 2000.

## Strategic business priorities

The Commission strives to manage for outcomes in its key business areas including:

- Maintaining the overall scheme stability by processes that enhance the competitive premium determination process, by contingency planning to deal with a breach of the affordability index, by streamlining the processes for setting premium bands and maintaining data integrity.
- Implementing claims process reforms through liaison with legal, medical and insurance professionals, achieving long-term targets for payments as a percentage of premiums to injured parties, enhancing services through the claims help line and information packs.
- Maintaining an efficient Nominal Defendant scheme, including the management process for relevant FAI claims.
- Determining the most appropriate structure for the scheme, and monitoring the operation of the scheme and the management of claims by insurers.

## Capability priorities

### Business Support Priorities

- Improve scheme performance – To improve scheme performance, the Commission will Benchmark CTP scheme performance.
- Improve information and communication systems and practices – To improve information and communication systems and practices, the Commission will:
  - Develop and maintain strong relationships with relevant areas of Treasury Office;
  - Develop a structure that will be flexible enough to cater for changing needs in the future; and
  - Enhance and update information management systems.
- Improve information management – Information management within the Commission will be improved through:
  - Redevelopment of the computerised Personal Injury Register and Statistical Database; and
  - Redesign of the Nominal Defendant Claims Management System.

### People Management Priorities

Key elements of the people management strategy to enhance our capabilities are to:

- Promote effective communication and sharing of information;
- Enhance the management of diversity and ensure a workplace free from discrimination and harassment;
- Allocate resources to prepare for future impacts;
- Create a shared vision of the future within the Office;
- Enhance staff skills to ensure effective career development by utilising the Individual Performance System (IPS) and Manager Once Removed (MOR) review;
- Enhance management and leadership skills within the Office;
- Enhance delegation of responsibility to the appropriate level within the Office; and
- Develop and foster a proactive and collegiate approach to management.

## Output Statement - Motor Accident Insurance Administration

The Motor Accident Insurance Commission is responsible for the Motor Accident Insurance Administration Output. It provides a viable and equitable personal injury compensation scheme through the regulation of the Queensland CTP scheme encompassing injury prevention and control, and manages the Nominal Defendant Scheme.

### Activities include:

- keeping the statutory insurance scheme generally under review and making recommendations for its amendment;
- licensing, supervising and monitoring the financial strength of Queensland CTP motor vehicle insurers in relation to their CTP operations. Insurers' overall financial strength is the responsibility of the Australian Prudential Regulation Authority (APRA);
- independent actuarial analysis of the scheme resulting in setting premium bands and recommending levies to Government;
- promoting research, education and the provision of rehabilitation services;
- maintaining a claims help line;
- developing and maintaining a claims register and statistical data base for the purpose of providing management information; and
- administering the Nominal Defendant Fund.

## Review of Performance

### Recent Achievements – CTP Scheme

- Setting of premium bands including independent quarterly actuarial analysis and recommendation to the Treasurer on the CTP levies within the legislative timeframes.
- Premiums for the year remained below the affordability index.
- Examination of the options for mitigating Government risk in the CTP scheme and the distribution of a paper to prompt stakeholders' discussion of the issues.
- Development of strategies in relation to proposed removal of GST Transitional Provisions from 1 July 2003.

- Withdrawal of FAI Allianz Limited licence and approval of the transfer of business from FAI Allianz Limited to Allianz Australia Insurance Limited effective 1 July 2002.
- Discussions with parties on the proposed change of ownership of 50% of the RACQ Insurance Limited joint venture.
- All Queensland Treasury reporting requirements met.
- 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 band ranges.
- Continuing redevelopment of the Personal Injury Register and Database.
- Changes in arrangements for Facilities Management of Claims Management System and Personal Injury Register.
- Amendment to the Motor Accident Insurance Act 1994 to exclude acts of terrorism from the application of the Act
- Ongoing liaison with police, medical and legal specialists and insurers in relation to legislative provisions and operation of the scheme.
- Ongoing liaison with Queensland Transport on issues relating to premium collection, systems and operations.
- Liaison with taxi industry on improving accident record.
- Restructure of the Commission's injury management and claims advice operations to deliver outcomes from the CTP Review.
- Operation of the CTP Claims Helpline.
- Monitor developments in claim costs through analysis of claims data and court precedents.
- Re-issue of Guideline 5 relating to direct contact with claimants with legal representation by the insurer.
- Four prosecution cases brought in relation to fraud, all successful.
- Monitoring progress of HIH Royal Commission, especially in relation to FAI matters.
- Member of Committees of Inspection for HIH Liquidation.

## Recent Achievements – Nominal Defendant

- Annual review of outstanding claim liabilities in relation to unidentified and uninsured vehicles conducted in conjunction with consulting actuaries.
- Nominal Defendant annual levy reviewed and set at \$12.80 for class 1 vehicles (sedans and station wagons) from 1 July 2002.
- During the year 527 new Act claims and 18 old Act claims were finalised. 1078 new Act claims and 36 old Act claims remain active.
- Legislative time frames relating to Nominal Defendant claims management were met and complete and accurate data was supplied to the MAIC database within the required time frames.
- Claims monitoring resulted in the notification of 6 suspected fraudulent claims to the Commission. The four successful fraud prosecutions during the year involved claims against the Nominal Defendant.
- Recovery action was concluded on 77 files during the year. Claims recoveries from debtors totalled \$192,000 in the year compared to \$76,100 in the previous year. Total claim recoveries during the year (including recoveries on claims shared with other insurers) were \$467,000
- Ongoing advice provided to the Commission on technical aspects of the legislation as it relates to the Nominal Defendant function.
- Renegotiation of broker and reinsurance contracts for cover against catastrophic claim events.
- Claim Management System (CMS) developments included further enhancements to assist with reinsurers reporting requirements, sharing recovery and settlement conference details.

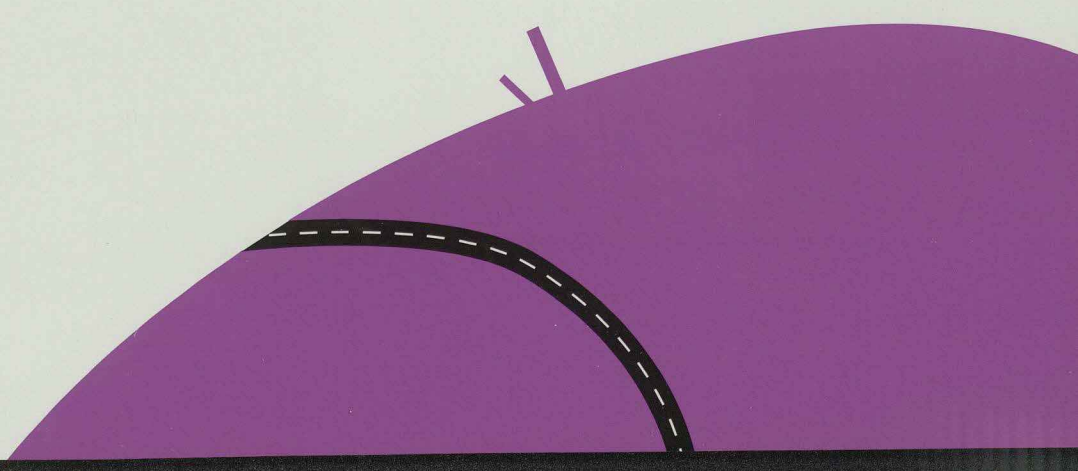
### FAI Run-off

- Permanent arrangements were put in place for FAI claim tail management and the seamless continuation of payments on FAI tail claims including conversion of the FAI tail claims to the Nominal Defendant Claim Management System and the introduction of EFT to make these payments;
- Monitor the performance of Allianz Services Australia Pty Ltd which was chosen as the outsourced manager of the FAI Run-off claims for three years from 1 July 2001. An audit was undertaken to review the processes and procedures utilised in the management of these claims.
- The Nominal Defendant levy was increased by a maximum of \$5 per CTP policy from 1 October 2001 to assist in funding the FAI Run-off claims. In December 2001, the Motor Accident Insurance Act 1994 was amended to allow the transfer of an amount of \$57.818M from the Motor Accident Insurance Fund to the Nominal Defendant Fund to also assist.
- The provision of a Deed of Indemnity under which shortfalls in funding are being met by Treasury, which will be offset by potential recoveries from the liquidator of HIH as and when they become available
- Ongoing consultation in relation to the potential insolvency dividend with the HIH Insurance Group Liquidator, Tony McGrath.
- Continuing discussions with the ATO in relation to the issue of GST and sharing payments for insurers and the effect of decreasing adjustments.

### Recent Achievements

#### - Grants

- Development of further strategies in monitoring compliance of recipients of the Commission's funding grants with accountability requirements such as the establishment of a Policy for Acquittal requirements and the use of an access database for grants management.
- Ongoing utilisation and development of funding agreements, Key Performance Indicators and compliance checks to ensure effective use of funding in the areas of injury prevention and control.
- Funding approval for continuation and expansion of the Centre for Accident Research and Road Safety – Queensland (CARRS-Q) accident prevention centre.
- Funding approval for Queensland Ambulance Service research project and ongoing monitoring of the project's performance in its first year of operation.
- Restructure of funding arrangement for the Griffith University Research Fellowship.
- Launch of the Injury Prevention and Control research program following its successful application for a NHMRC Health Research Partnership in injury Grant from the Federal Government. MAIC is one of the five core partners in this program.
- The successful transition of rehabilitation outreach projects at Royal Children's and PA Hospital to Queensland Health.
- Participation in an intergovernmental response to a CARRS-Q proposal to fund research into motor vehicle accidents in rural and remote locations.



# How to keep CTP affordable

*Like all liability insurance cover, there is some evidence that pressure is also building on CTP premiums. Recently, there has been a steady rise in CTP premiums, although there has not been as yet a breach of the affordability index to warrant further changes to the Scheme.*

*A set of amendments was put in place in October 2000 with the objective of preserving affordability of the Scheme. But the intrinsic nature of long tail insurance means that it is still too early to*

*18 conclude that the reforms are effective, although emerging evidence is positive. In the meantime, the average cost of pre-amendment claims has been rising. To maintain affordability, expectations of further growth in claim payouts will need to be contained through concentrated effort on best use of the claim management provisions in the current legislation.*

## **Why is it important to keep CTP affordable ?**

The objectives of the Queensland CTP Scheme are to provide access to compensation for those persons injured in motor vehicle accidents where negligence can be established against an owner or driver and to provide indemnity for at fault owners or drivers who might otherwise not have the capacity to pay that compensation. The ongoing success of the CTP Scheme will continue to rest on how well it meets those objectives while at the same time recognising the community's capacity

to pay for the Scheme. Maintaining affordability for the majority of the motoring public is crucial to the continuing 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 for 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 be compromised.

### Balance in the Scheme

In maintaining a viable scheme it is imperative that the total premium pool is sufficient to meet the cost of claims. Premium levels will therefore reflect the usage of the scheme. Affordability is directly linked to the number of claims and the amount of compensation paid to each claimant. In addressing the issue of affordability, the cost of claims must be considered, whilst recognising claimants' rights to compensation for an injury suffered through no fault of their own.

There are several avenues by which claims costs could be lower:

- fewer accidents on our roads
- less claims made for minor and temporary injuries. As an illustration, almost 50% of all claims lodged are for a whiplash injury where whiplash is the most severe, or equal to the most severe, injury reported
- smaller payouts for general damages (pain and suffering) and for future economic loss. Both of these payment categories can be difficult to assess on an objective basis
- lower allowances and fees for service providers in the Scheme (insurers, legal and medical professions).

The difficulty is to achieve an appropriate balance between claimants' rights to compensation and limiting claims costs. It may be that if claims costs are not contained, Queensland's essentially unlimited common law scheme will become unaffordable. If this were to occur, consideration may need to be given to restructuring the scheme to allow for compensation to be available primarily to those with moderate and serious injuries.

### The Affordability Framework

The Queensland CTP Scheme covers 2.5 million motor vehicles, collects \$800M in annual premium underwritten by six licensed private sector insurance companies, and features outstanding claims liability exposure estimated at greater than \$2B.

The first signs of pressure on the Scheme emerged in 1996 and then again in 1999. In the face of increasing concern about the potential for future pressures in the Scheme, the Government established a Review Committee to examine the fundamentals of the Queensland CTP Scheme. The Review recommended several high-level system criteria or benchmarks against which the Scheme could be measured.

Fundamental to the October 2000 amendments was the introduction of an affordability index. The affordability index upper limit is set at 45% of average weekly earnings and is triggered when the highest Class 1 premium filed by insurers exceeds that limit. If the index is breached, this triggers a review of the Scheme design. The current index trigger is \$354 and the highest filed premium of \$335.50 (before deducting the HIH levy) for the quarter commencing October 2002 is below this amount.

### Comparison of Highest Filed Premiums with Affordability Index for the Period 1 October 2000 to 1 October 2002



### The October 2000 Reforms

In October 2000, following the recommendations of the Review Committee, a range of amendments designed to limit claims costs were made to the Scheme, including:

- significant modifications to the existing claims process to facilitate easier access to the scheme and earlier rehabilitation intervention;
- a requirement for claimants to provide a medical certificate as a prerequisite to a claim;
- a requirement for a report of the accident to be made to the police;
- the introduction of compulsory pre-proceedings conferences;
- the concept of obtaining joint medico-legal reports;
- the abolition of the cost indemnity rule for claims with total damages less than \$30,000 and capped legal cost recovery for claims between \$30,000 and \$50,000.

### The Wider Environment

The past year has seen the emergence of concerns about the affordability of insurance more broadly, particularly with respect to public liability. In response, all State and Territory Governments and the Commonwealth Government have considered a range of tort reform measures as a means of containing claims costs. Many of the reforms introduced in Queensland have an impact on the CTP Scheme.

In June 2002, Queensland introduced the *Personal Injuries Proceedings Act 2002* (PIP Act),

which was designed to closely replicate the amendments introduced to the *Motor Accident Insurance Act 1994* (MAI Act) in 2000, particularly with respect to pre-court processes, limits on legal costs and limiting damages for loss of earnings or loss of earning capacity to a weekly amount not exceeding 3 times average weekly earnings.

In addition, the PIP Act facilitates the periodic payment of entitlements through structured settlements and imposed restrictions on legal advertising including the banning of "no win no fee" advertising.

The MAI Act is currently being examined with a view to incorporating several additional provisions introduced through the PIP Act.

### Possible Future Options

Should the affordability index be triggered, a review will be undertaken to identify possible options for Scheme re-design. This might include consideration of:

- increasing the level for non-recovery of legal costs;
- prescribed benefits for non-economic loss;
- caps and injury severity thresholds, similar to the model introduced by the Motor Accidents Authority in New South Wales;
- a no-fault scheme, similar to that in Victoria; and
- Government underwriting of the CTP Scheme.

*In summary, the Government and the Commission are committed to the Affordability Framework. The Scheme will be redesigned when warranted. But there is a basis for optimism that the October 2000 amendments will achieve their objective of containing claim frequency and claim costs within the Scheme.*

# Statistical Information 2001-2002

Motor Accident Insurance Commission  
Annual Report 2001 - 2002

## Statistical Information 2001 - 2002

### Notice of Claim Lodgements

(All Insurers) Accidents 1 July 1995 to 30 June 2002

Injury Quarter	Development Quarter												Grand Total
	1	2	3	4	5	6	7	8	9	10	11	12+	
Jul 95 - Sep 95	655	494	675	204	54	42	33	13	19	14	9	48	2,260
Oct 95 - Dec 95	552	590	665	192	46	29	24	9	11	9	11	34	2,172
Jan 96 - Mar 96	696	562	602	145	39	21	12	15	11	15	11	42	2,171
Apr 96 - Jun 96	785	517	509	224	44	21	21	7	16	16	15	44	2,219
Jul 96 - Sep 96	841	543	524	139	75	22	14	14	23	18	28	43	2,284
Oct 96 - Dec 96	737	602	554	138	34	25	21	24	7	15	23	31	2,211
Jan 97 - Mar 97	759	570	520	101	45	36	14	16	26	19	12	26	2,144
Apr 97 - Jun 97	908	554	411	130	47	32	14	22	18	7	9	29	2,181
Jul 97 - Sep 97	941	539	466	139	55	19	25	28	19	21	14	32	2,298
Oct 97 - Dec 97	906	613	485	128	46	31	19	20	14	16	11	33	2,322
Jan 98 - Mar 98	945	539	406	126	40	26	27	10	15	18	12	24	2,188
Apr 98 - Jun 98	1,188	588	407	168	55	41	24	31	16	12	5	23	2,558
Jul 98 - Sep 98	1,208	633	561	140	50	26	32	27	30	15	13	19	2,754
Oct 98 - Dec 98	1,318	703	522	107	50	30	26	13	13	12	10	19	2,823
Jan 99 - Mar 99	1,376	627	463	130	52	32	34	11	16	14	9	19	2,783
Apr 99 - Jun 99	1,342	614	360	170	64	34	25	18	19	15	11	14	2,686
Jul 99 - Sep 99	1,259	540	510	160	53	36	32	26	8	10	4	4	2,642
Oct 99 - Dec 99	1,281	636	496	151	54	38	26	18	21	6	2		2,729
Jan 00 - Mar 00	1,183	521	456	141	60	39	24	17	17	3			2,461
Apr 00 - Jun 00	1,331	595	391	120	61	40	12	11	6				2,567
Jul 00 - Sep 00	1,373	539	398	110	47	39	13	4					2,523
Oct 00 - Dec 00	1,692	414	185	54	29	17	2						2,393
Jan 01 - Mar 01	1,909	330	170	64	47	5							2,525
Apr 01 - Jun 01	1,947	361	125	47	8								2,488
Jul 01 - Sep 01^	1,927	274	127	11									2,339
Oct 01 - Dec 01^	1,810	327	41										2,178
Jan 02 - Mar 02^	1,557	91											1,648
Apr 02 - Jun 02^	599												599

^ Accident quarter data from July 2001 are still immature

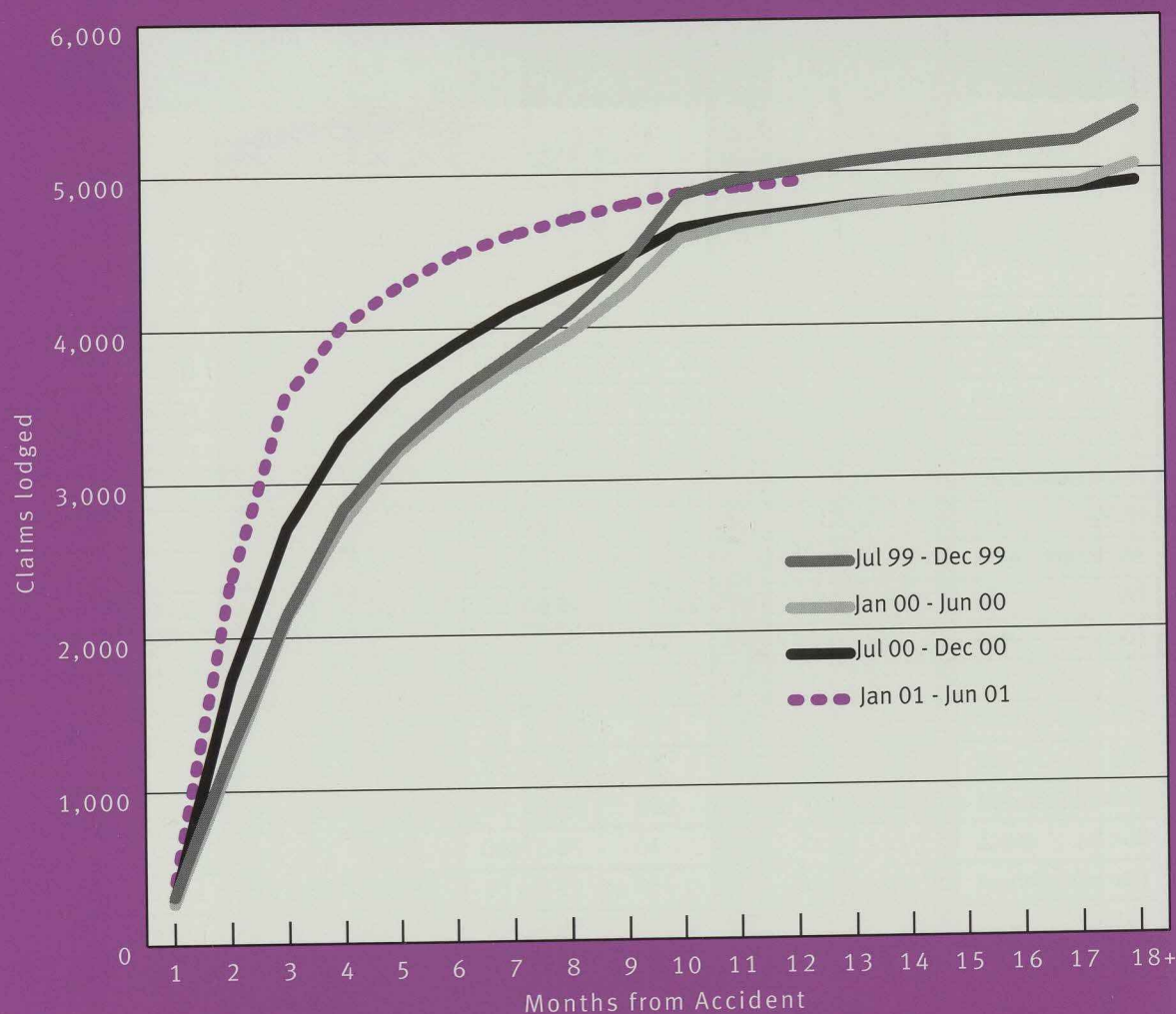
### Age Group of Claimants

1 September 1994 to 30 June 2002

Age Group	Male	Female	Unknown	Total	Percentage
Unknown *	120	120	170	410	0.6%
0 - 5 years	631	581	2	1,214	1.7%
6 - 15 years	1,814	1,802	3	3,619	5.0%
16 - 25 years	8,611	9,875	28	18,514	25.6%
26 - 35 years	8,368	8,686	22	17,076	23.6%
36 - 45 years	6,183	6,908	7	13,098	18.1%
46 - 55 years	4,281	4,970	35	9,286	12.9%
56 - 65 years	2,362	2,608	4	4,974	6.9%
66+	1,667	2,343	4	4,014	5.6%
	34,037	37,893	275	72,205	100.0%

\* The figures include Company claims

## Cumulative Claim Lodgements by Accident Period



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## Number of Accidents by Postcode Division

1 September 1994 to 30 June 2002

Location	Postcode	Number of Accidents
Brisbane City	4000 - 4072	10,518
	4500 - 4549	2,406
	4073 - 4209	14,291
Gold Coast Region	4210 - 4299	8,007
Ipswich Region	4300 - 4349	2,591
Toowoomba Region	4350 - 4499	2,089
	4602 - 4618	172
Sunshine Coast Region	4550 - 4601	3,537
	4619 - 4689	2,261
Rockhampton Region	4690 - 4736	1,148
Mackay Region	4737 - 4805	1,532
Townsville Region	4806 - 4824	1,709
	4835 - 4850	112
Mt Isa Region	4825 - 4834	157
Cairns Region	4851 - 4899	2,279
Invalid Postcodes		171
Interstate		2,229
		55,209

N.B. The average number of claims per accident is 1.31. In previous years, interstate accidents were not included in this ratio. The comparable ratio to last year's ratio is unchanged at 1.37.

## Statistical Information 2001 - 2002

### Claim Status

Accident Year	1 SEPTEMBER 1994 - 30 JUNE 1995*			1 JULY 1995 - 30 JUNE 1996			1 JULY 1996 - 30 JUNE 1997			1 JULY 1997 - 30 JUNE 1998		
	Claims Received	Liability Determined %	Finalised Claims %	Claims Received	Liability Determined %	Finalised Claims %	Claims Received	Liability Determined %	Finalised Claims %	Claims Received	Liability Determined %	Finalised Claims %
Suncorp Metway	3,781	99	98	4,690	99	97	4,773	99	96	5,265	99	91
QBE	2	100	100	14	100	100	30	100	90	320	94	88
AAMI	153	100	96	227	100	96	288	100	98	327	100	93
Allianz^	283	95	96	436	86	96	443	93	94	484	95	89
RACQ Insurance												
NRMA												
FAI Allianz												
FAI	1,900	99	98	2,273	99	97	2,116	99	93	2,230	99	88
Fortis~	469	97	97	549	95	96	626	89	95	342	90	93
CIC	5	60	100	8	63	100						
Com. Union	111	100	95	131	100	87	128	100	90	17	100	88
GIO	15	100	100	30	97	97	15	100	100			
Merc Mutual	75	100	93	94	99	95	63	100	87	3	100	100
Zurich	5	100	100	10	70	100	23	35	100	24	4	92
Nom. Defend.	260	100	98	358	99	95	315	100	87	353	99	87
<b>Total</b>	<b>7,059</b>	<b>99</b>	<b>98</b>	<b>8,820</b>	<b>98</b>	<b>97</b>	<b>8,820</b>	<b>98</b>	<b>95</b>	<b>9,365</b>	<b>98</b>	<b>90</b>

N.B. The column for 2001 - 2002 claims is incomplete due to claim reporting timeframes

^ Formerly MMI

~ Formerly VACC

\* Only covers 10 months

# Statistical Information 2001 - 2002

1 JULY 1998 - 30 JUNE 1999			1 JULY 1999 - 30 JUNE 2000			1 JULY 2000 - 30 JUNE 2001			1 JULY 2001 - 30 JUNE 2002			
Claims Received	Liability Determined %	Finalised Claims %	Claims Received	Liability Determined %	Finalised Claims %	Claims Received	Liability Determined %	Finalised Claims %	Claims Received	Liability Determined %	Finalised Claims %	
6,147	99	83	5,647	98	69	5,321	96	39	3,500	59	10	Suncorp Metway
723	97	85	641	99	72	487	98	46	267	75	15	QBE
475	99	83	563	99	68	498	100	39	329	92	12	AAMI
661	95	81	612	98	66	598	93	34	325	70	12	Allianz^
13	100	62	234	99	46	495	95	21	689	82	4	RACQ Insurance
						79	99	56	88	52	9	NRMA
			165	92	58	1,608	90	33	1,376	62	7	FAI Allianz
2,642	99	79	2,206	97	65	500	96	40				FAI
37	86	89										Fortis~
												CIC
												Com. Union
												GIO
												Merc Mutual
4	0	75										Zurich
344	97	76	329	98	55	340	97	35	190	53	14	Nom. Defend.
11,046	99	82	10,397	98	67	9,926	95	37	6,764	65	9	Total

## Statistical Information 2001 - 2002

### Claim Payments on Finalised Claims

(Payments 1 September 1994 to 30 June 2002)  
(\$,000)

Code	A1	C1	E1	E2	G1	H1	L1	L2	
Payment Type	Aids and Appliances	Long term care and home care	Economic Loss - past	Economic Loss - future	General Damages	Home and vehicle modifications	Investigation costs	Legal costs - plaintiffs	
<i>Accident Period: 1 September 1994 - 30 June 1995 (10 months)</i>									
Total Dollars	1,080	24,009	27,593	56,831	96,038	1,124	2,923	25,232	
(%)Total Dollars	0.4%	8.9%	10.3%	21.2%	35.8%	0.4%	1.1%	9.4%	
<i>Accident Year: 1 July 1995 - 30 June 1996</i>									
Total Dollars	758	28,753	31,932	67,182	110,040	1,212	3,495	31,067	
(%)Total Dollars	0.2%	9.1%	10.1%	21.3%	34.9%	0.4%	1.1%	9.9%	
<i>Accident Year: 1 July 1996 - 30 June 1997</i>									
Total Dollars	1,128	26,856	26,964	65,853	108,663	795	3,846	30,425	
(%)Total Dollars	0.4%	8.9%	9.0%	21.9%	36.1%	0.3%	1.3%	10.1%	
<i>Accident Year: 1 July 1997 - 30 June 1998</i>									
Total Dollars	924	18,409	23,348	58,337	106,683	1,270	3,722	28,845	
(%)Total Dollars	0.3%	6.8%	8.6%	21.4%	39.1%	0.5%	1.4%	10.6%	
<i>Accident Year: 1 July 1998 - 30 June 1999</i>									
Total Dollars	851	17,553	20,043	55,020	106,661	364	3,385	29,844	
(%)Total Dollars	0.3%	6.7%	7.7%	21.0%	40.7%	0.1%	1.3%	11.4%	
<i>Accident Year: 1 July 1999 - 30 June 2000</i>									
Total Dollars	250	8,642	11,242	33,350	76,314	3	2,172	20,490	
(%)Total Dollars	0.1%	5.1%	6.6%	19.6%	44.9%	0.0%	1.3%	12.1%	
<i>Accident Year: 1 July 2000 - 30 June 2001</i>									
Total Dollars	16	2,251	3,310	9,221	30,685	7	871	4,130	
(%)Total Dollars	0.0%	4.0%	5.9%	16.6%	55.1%	0.0%	1.6%	7.4%	
<i>Accident Year: 1 July 2001 - 30 June 2002</i>									
Total Dollars		112	184	366	2,445	0	79	46	
(%)Total Dollars	0.0%	3.0%	5.0%	10.0%	66.6%	0.0%	2.1%	1.3%	

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.

Statistical Information 2001 - 2002

	L4	L5	L6	M1	N1	P1	R1	V1	V2	V3	Total
	Legal costs - defendants (solicitors)	Legal costs - defendants (barristers)	Legal costs - defendants (other outlays)	Hospital, medical, pharmaceutical	Payments to interstate and non CTP insurers	Other	Rehabilitation service costs	Recoveries from insured	Other party (other than through sharing)	Nominal Defendant recovery	Total
	9,928 3.7%	1,337 0.5%	1,843 0.7%	19,042 7.1%	407 0.2%	1,010 0.4%	2,160 0.8%	0 0.0%	-2,085 -0.8%	-33 0.0%	268,440 100.0%
	11,730 3.7%	1,328 0.4%	2,109 0.7%	22,591 7.2%	275 0.1%	1,423 0.5%	2,636 0.8%	-6 0.0%	-1,356 -0.4%	-54 0.0%	315,114 100.0%
	9,973 3.3%	1,294 0.4%	1,712 0.6%	21,291 7.1%	125 0.0%	1,742 0.6%	2,065 0.7%	-11 0.0%	-1,708 -0.6%	-99 0.0%	300,915 100.0%
	8,505 3.1%	863 0.3%	1,403 0.5%	17,378 6.4%	139 0.1%	1,460 0.5%	2,155 0.8%	-23 0.0%	-824 -0.3%	-74 0.0%	272,522 100.0%
	7,774 3.0%	575 0.2%	965 0.4%	15,682 6.0%	12 0.0%	895 0.3%	2,798 1.1%	-17 0.0%	-477 -0.2%	-4 0.0%	261,923 100.0%
	5,086 3.0%	365 0.2%	631 0.4%	9,206 5.4%	0 0.0%	551 0.3%	1,706 1.0%	-19 0.0%	-128 -0.1%	-10 0.0%	169,852 100.0%
	1,052 1.9%	32 0.1%	81 0.1%	3,134 5.6%	0 0.0%	227 0.4%	669 1.2%	0 0.0%	-11 0.0%	0 0.0%	55,675 100.0%
	30 0.8%	0 0.0%	5 0.1%	240 6.5%	0 0.0%	113 3.1%	54 1.5%	0 0.0%	0 0.0%	-1 0.0%	3,673 100.0%

## Statistical Information 2001 - 2002

Vehicles Insured as at 30 June 2002		
Insurance Class	Number of Vehicles	Percentage
1	1,832,028	72.43
2	5,807	0.23
3	2,493	0.10
4	18,167	0.72
5	6,987	0.28
6	429,218	16.97
7	48,605	1.92
8	5,572	0.22
9	3,024	0.12
10	3,541	0.14
11	4,086	0.16
12	31,938	1.26
13	48,038	1.90
14	27,815	1.10
15	10,833	0.43
16	774	0.03
17	44,913	1.78
19	687	0.03
20	216	0.01
21	2	0.00
22	0	0.00
23	4,071	0.16
24	441	0.02
<b>Totals</b>	<b>2,529,256</b>	<b>100.00</b>

### Premium, Levy and Fee Collection 1 July 2001 to 30 June 2002

	Dollars (\$'000)
Insurance Premiums	797,599
Nominal Defendant Levy	-40,330
MAIC (Statutory Insurance Scheme) Levy	-2,783
Hospital Levy	-12,941
Emergency Services Levy	-5,864
Department of Transport Fee	-19,512
Insurers Premiums	716,169

Source: Queensland Transport Receipts

### Market Share - Licensed Insurers

Insurer	30/6/99	30/6/00	30/6/01	30/6/02
Suncorp Metway	58.07	56.03	54.78	54.32
FAI/FAI Allianz	24.88	23.74	21.61	18.63
QBE	6.31	5.97	5.04	4.16
AAMI	5.12	5.22	5.27	5.14
Allianz	4.79	5.12	4.72	4.64
RACQ Insurance	0.38	3.86	7.88	11.99
NRMA	-	0.05	0.7	1.12

Method: The market share figures are based on annual aggregate premium collection rather than on the number of policies.

# Financial Information 2001-2002

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Motor Accident Insurance Commission  
Financials • Annual Report 2001 - 2002

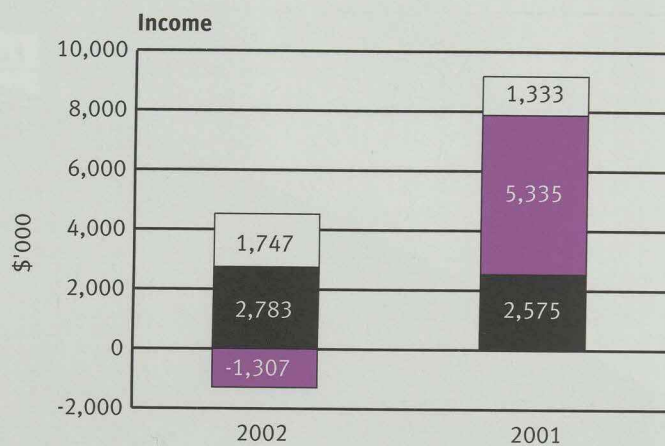
## Motor Accident Insurance Commission

# Financial Summary

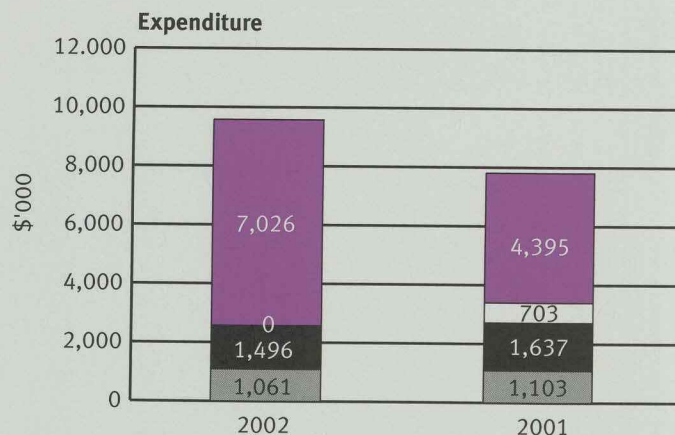
Revenue fell overall from \$9.243 million to \$3.223 million due primarily to a negative rate of return on investments. There was an increase in revenue from the MAIC statutory levy resultant from an increase in the levy from \$1.00 to \$1.10 per CTP policy, and an increase in penalty receipts.

The expenses of the Commission were higher this financial year, due mainly to the timing of the payment of some grants. Expenditure on grants was \$7.026 million compared to \$4.395 million and \$7.609 million in the two previous financial years. Details of grant funding are provided in Appendix Five.

The resultant operating loss for the Commission for the year ended 30 June 2002 was \$6.360 million compared to an operating profit of \$1.405 million for the prior financial year. An amount of \$15.428 million is set aside in reserves to meet anticipated future funding of accident prevention and rehabilitation grants. During the year, \$57.818 million was transferred from the Motor Accident Insurance Fund to the Nominal Defendant Fund to fund a proportion of the liabilities arising from the insolvency of FAI General Insurance Company Limited.



Penalties & Miscellaneous Receipts □  
 Investment Income ■  
 Levies ■



Grants ■  
 Transport Administration Development Costs □  
 Other Expenses ■  
 Salaries and Related Expenses ■

Motor Accident Insurance Commission

Statement of Financial Performance  
For the Financial Year ended 30 June 2002

	NOTE	2002 \$'000	2001 \$'000
REVENUES FROM ORDINARY ACTIVITIES			
Levies	2 (a)	2,783	2,575
Investment income	2 (b)	(1,307)	5,335
Penalties & miscellaneous receipts		<u>1,747</u>	<u>1,333</u>
Total revenue from ordinary activities		<u>3,223</u>	<u>9,243</u>
EXPENSES FROM ORDINARY ACTIVITIES			
Grants		7,026	4,395
Salaries and related expenses	2 (c)	1,061	1,103
Depreciation	2 (d)	17	33
Amortisation	2 (e)	11	3
Computer facilities management fee		288	243
Marketing and advertising		2	7
Rent		64	75
Other	2 (f)	<u>1,114</u>	<u>1,979</u>
Total expenses from ordinary activities		<u>9,583</u>	<u>7,838</u>
(LOSS)/PROFIT FROM ORDINARY ACTIVITIES	10	<u>(6,360)</u>	<u>1,405</u>

The accompanying notes form part of these financial statements.

Motor Accident Insurance Commission

Statement of Financial Position  
As at 30 June 2002

	NOTE	2002 \$'000	2001 \$'000
<b>CURRENT ASSETS</b>			
Cash assets		999	600
Receivables	3	161	5,373
Investment securities	4	14,372	73,529
Prepayments		10	37
<b>Total current assets</b>		<b>15,542</b>	<b>79,539</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	3	1,050	1,050
Investment securities	4	10,500	10,500
Property, plant and equipment	5	63	112
<b>Total non-current assets</b>		<b>11,613</b>	<b>11,662</b>
<b>TOTAL ASSETS</b>		<b>27,155</b>	<b>91,201</b>
<b>CURRENT LIABILITIES</b>			
Payables	6	237	130
Provisions	7	71	73
<b>Total current liabilities</b>		<b>308</b>	<b>203</b>
<b>TOTAL LIABILITIES</b>		<b>308</b>	<b>203</b>
<b>NET ASSETS</b>		<b>26,847</b>	<b>90,998</b>
<b>EQUITY</b>			
Contributed equity	8	0	57,787
Reserves	9	15,428	18,322
Retained profits	10	11,419	14,889
<b>TOTAL EQUITY</b>		<b>26,847</b>	<b>90,998</b>

The accompanying notes form part of these financial statements.

Statement of Cash Flows  
For the Financial Year ended 30 June 2002

	NOTE	2002 \$'000	2001 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Inflows:</b>			
Levies		2,783	2,575
Investment income		3,859	12,066
Penalties & miscellaneous receipts		1,807	1,282
GST input taxes recovered from ATO		566	502
<b>Outflows:</b>			
Grants		(7,026)	(4,395)
Salaries and related expenses		(1,063)	(1,098)
Computer facilities management fee		(263)	(244)
Marketing and advertising		(2)	(8)
Other		(1,567)	(2,972)
GST paid to ATO		0	(1)
<b>Net cash provided by (used in) operating activities</b>	14(ii)	<b>(906)</b>	<b>7,707</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Inflows:</b>			
Proceeds from sale of property, plant and equipment		1	0
<b>Outflows:</b>			
Purchase of property, plant and equipment		(35)	(89)
<b>Net cash (used in) investing activities</b>		<b>(34)</b>	<b>(89)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Outflows:</b>			
Transfer of funds to the Nominal Defendant		(57,818)	0
<b>Net cash (used in) financing activities</b>		<b>(57,818)</b>	<b>0</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(58,758)</b>	<b>7,618</b>
Cash at the beginning of the financial year		84,629	77,011
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	14(i)	<b>25,871</b>	<b>84,629</b>

The accompanying notes form part of these financial statements.

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

**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. The financial statements have been prepared on an historical cost basis, except for investment securities which are shown at net market value.

Amounts shown have been rounded to the nearest thousand dollars.

**(c) Property, Plant & Equipment**

In order to comply with the *Non-Current Asset Accounting Guidelines for the Queensland Public Sector*, issued by Queensland Treasury, items of property, plant and equipment have been recorded at cost.

From 1 July 2001 the threshold for the recording of property, plant and equipment assets was \$5,000 (previously \$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

**Amortisation**

Amortisation 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:

Leasehold Improvements	12 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.

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

**Note 1 (continued) Statement of Significant Accounting Policies**

**(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 and are recorded in these accounts at net market value.

**(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 2002 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*

The Commission participates in the State Government's long service scheme in which a levy is made on the Commission to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken. No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS 31 – Financial Reporting by Governments.

**(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**

Under section 33(6) and 33(7) of the *Motor Accident Insurance Act 1994*, should circumstances give rise to a recovery from the liquidation of FAI General Insurance Company Limited, or recovery from another party, the Treasurer may, by written notice to the Nominal Defendant, direct it to return funds of an amount, not exceeding \$57,818,000 to the Motor Accident Insurance Fund. Refer note 8.

**(j) Levy Collection and Contribution**

In accordance with Section 27 of the *Motor Accident Insurance Act 1994* levies are recognised as revenue at the time they are legally due to be paid by the insurers to the Commission.

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 Statement of Financial Performance as these amounts are not controlled. Similarly, remittances 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.

Motor Accident Insurance Commission

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

**Note 2 Profit from Ordinary Activities**

	NOTE	2002 \$'000	2001 \$'000
<b>(a) Levies</b>			
Levies - comprise amounts required to be paid by licensed CTP insurers on gross insurance premiums.			
Statutory insurance scheme levy		2,783	2,575
Total		<u>2,783</u>	<u>2,575</u>
<b>(b) Investment income</b>			
Distributions received from Queensland Investment Corporation	(1,373)		5,288
Interest Received from funds held by Queensland Treasury	66		47
Total	<u>(1,307)</u>		<u>5,335</u>
<b>(c) Salaries and Related Expense</b>			
Salaries and wages	798		846
Superannuation	101		93
Long service leave expense	10		9
Recreation leave expense	79		60
Other related expenses	73		95
Total	<u>1,061</u>		<u>1,103</u>
<b>(d) Depreciation</b>			
Plant, Equipment and Furniture & Fittings	17		33
Total	<u>17</u>		<u>33</u>
<b>(e) Amortisation</b>			
Leasehold Improvements	11		3
Total	<u>11</u>		<u>3</u>
<b>(f) Other</b>			
Consultancy Expenditure	254		229
Administration Fees	234		1,064
Other	626		686
Total	<u>1,114</u>		<u>1,979</u>

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

Note 3 Receivables			
	NOTE	2002 \$'000	2001 \$'000
<b>Current</b>			
Accrued investment income		18	5,184
Penalties receivable		105	165
Other receivables		38	24
Total		<u>161</u>	<u>5,373</u>
<b>Non-Current</b>			
Loan receivable		1,050	1,050
Total		<u>1,050</u>	<u>1,050</u>

Note 4 Investment Securities			
	NOTE	2002 \$'000	2001 \$'000
<b>Current</b>			
Queensland Investment Corporation		14,372	73,529
<b>Non-Current</b>			
Queensland Investment Corporation		10,500	10,500
Total		<u>24,872</u>	<u>84,029</u>

# Motor Accident Insurance Commission

## Notes to and forming part of the financial statements For the year ended 30 June 2002

### Note 5 Property, Plant and Equipment

	NOTE	2002 \$'000	2001 \$'000
<b>Property</b>			
Leasehold Improvements - at cost		60	75
Accumulated amortisation		(11)	(3)
Total property		<u>49</u>	<u>72</u>
<b>Plant and Equipment</b>			
Plant, Equipment and Fittings - at cost		73	186
Accumulated depreciation		(59)	(157)
Total		<u>14</u>	<u>29</u>
Computer Software - at cost		163	163
Accumulated depreciation		(163)	(152)
Total		<u>0</u>	<u>11</u>
Total plant and equipment		<u>14</u>	<u>40</u>
Total Property, Plant and Equipment		<u>63</u>	<u>112</u>

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Leasehold Improvements \$'000	Plant, Equipment & Fittings \$'000	Computer Software \$'000	TOTAL \$'000
Carrying amount at beginning of the financial year	72	29	11	112
Additions	5	30	0	35
Disposals	0	0	0	0
Transfers	(20)	(36)	0	(56)
Depreciation Charged	(8)	(9)	(11)	(28)
Carrying amount at the end of the financial year	<u>49</u>	<u>14</u>	<u>0</u>	<u>63</u>

# Motor Accident Insurance Commission

## Notes to and forming part of the financial statements For the year ended 30 June 2002

### Note 6 Payables

	NOTE	2002 \$'000	2001 \$'000
Sundry creditors and accruals		237	130
Total		<u>237</u>	<u>130</u>

### Note 7 Provisions

	NOTE	2002 \$'000	2001 \$'000
Employee entitlements		71	73
Total		<u>71</u>	<u>73</u>

### Note 8 Contributed Equity

	NOTE	2002 \$'000	2001 \$'000
Assets and liabilities transferred on establishment of the Motor Accident Insurance Commission on 1 September 1994.			
Opening Balance at 1 July 2001			
Nominal Defendant (Queensland)		57,818	57,818
Consolidated fund		(31)	(31)
		<u>57,787</u>	<u>57,787</u>
Transfers to:			
Nominal Defendant		(57,818)	0
Retained Profits		31	0
Total equity at the reporting date		<u>0</u>	<u>57,787</u>

Under section 33(4) and 33(5) of the *Motor Accident Insurance Act 1994*, the amount of \$57,818,000 was transferred from the Motor Accident Insurance Fund to the Nominal Defendant Fund on 22 January 2002 to be applied to the outstanding claims liabilities arising from the insolvency of FAI General Insurance Company Limited.

Motor Accident Insurance Commission

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

Note 9 Reserves

	NOTE	2002 \$'000	2001 \$'000
Composition and movements:			
Income Maintenance			
Balance at end of year		10,500	10,500
Accident Prevention Initiatives			
Balance at beginning of year		1,350	3,076
Transfer to retained profits		(1,110)	(3,084)
Transfer from retained profits		1,136	1,358
Balance at end of year		<u>1,376</u>	<u>1,350</u>
Rehabilitation Initiatives			
Balance at beginning of year		6,472	7,319
Transfer to retained profits		(5,872)	(4,647)
Transfer from retained profits		2,952	3,800
Balance at end of year		<u>3,552</u>	<u>6,472</u>
Emergency Infrastructure			
Balance at beginning of year		0	850
Transfer to retained profits		0	(850)
Balance at end of year		<u>0</u>	<u>0</u>
Total Reserves		<u>15,428</u>	<u>18,322</u>

# Motor Accident Insurance Commission

## Notes to and forming part of the financial statements For the year ended 30 June 2002

Note 10 Retained Profits			
	NOTE	2002 \$'000	2001 \$'000
Retained profits at the beginning of the financial year		14,889	10,069
Profit/(loss) from ordinary activities		(6,360)	1,405
Transfers to reserves:			
Accident Prevention Initiatives		(1,136)	(1,358)
Rehabilitation Initiatives		(2,952)	(3,800)
Transfers from reserves:			
Accident Prevention Initiatives		1,110	3,084
Rehabilitation Initiatives		5,872	4,647
Emergency Infrastructure		0	850
Queensland Treasury adjustments		27	(8)
Equity Transfer - Consolidated Fund	8	(31)	0
Retained profits at the reporting date		<u>11,419</u>	<u>14,889</u>

Note 11 Auditor's Remuneration			
	NOTE	2002 \$'000	2001 \$'000
Remuneration received or due and receivable by the Auditor-General of Queensland for external audit services		<u>10</u>	<u>8</u>

# Motor Accident Insurance Commission

## Notes to and forming part of the financial statements For the year ended 30 June 2002

### Note 12 Commitments for Expenditure

	NOTE	2002 \$'000	2001 \$'000
(a) Maintenance Contract Commitment			
Total expenditure contracted for at balance date but not provided for in the accounts:			
Due not later than one year		258	39
Due later than one year but not later than five years		62	0
Total		<u>320</u>	<u>39</u>
(b) Operating Lease Rental Commitments			
Future operating lease rentals not provided for in the financial statements are payable as follows:			
Due not later than one year		92	86
Due later than one year but not later than five years		30	115
Total		<u>122</u>	<u>201</u>
(c) Grant Commitments			
The <i>Motor Accident Insurance Act 1994</i> 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		4,928	2,920
Due later than one year but not later than five years		10,197	7,721
Total		<u>15,125</u>	<u>10,641</u>

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

**Note 13 Agency Transactions (Hospital & Emergency Services Levy)**

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. 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:

	NOTE	2002 \$'000	2001 \$'000
<b>Levies</b>			
Comprise amounts collected from licensed CTP insurers on gross insurance premiums.			
Levies collected but not remitted in the previous year		1,423	2,963
Hospital levy		12,941	12,780
Emergency Services levy		5,864	4,518
		<u>20,228</u>	<u>20,261</u>
<b>Contributions</b>			
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		5,667	14,207
Emergency Services levy contributions		12,915	4,631
		<u>18,582</u>	<u>18,838</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 2002:			
		<u>1,646</u>	<u>1,423</u>
(This amount is held in QIC investments).			

## Motor Accident Insurance Commission

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 14 Statement of Cash Flows

	NOTE	2002 \$'000	2001 \$'000
<b>(i) Reconciliation of cash</b>			
For the purposes of the Statement of Cash Flows, cash includes cash on hand and investments in money market instruments, net of outstanding bank overdrafts.			
Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash		999	600
Investments	4	24,872	84,029
Total		<u>25,871</u>	<u>84,629</u>
<b>(ii) Reconciliation of operating profit with net cash provided by operating activities</b>			
Operating (loss)/profit		(6,360)	1,405
Add/(Less) non cash items:			
Depreciation		17	33
Amortisation		11	3
Profit on disposal of property, plant and equipment		(1)	0
Asset adjustments passed by Queensland Treasury		0	3
Asset Transfers		56	0
Direct changes to equity		27	(8)
Changes in assets and liabilities:			
Increase/(Decrease) in creditors		107	(388)
(Increase)/Decrease in receivables		5,212	6,659
Decrease/(Increase) in prepayments		27	(5)
(Decrease)/Increase in provisions		(2)	5
Net cash provided by operating activities		<u>(906)</u>	<u>7,707</u>

**(iii) The Motor Accident Insurance Fund has no unused borrowing or overdraft facility.**

## Notes to and forming part of the financial statements

### For the year ended 30 June 2002

#### Note 15 Financial Instruments

##### (a) Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
<b>Financial Assets</b>			
Cash on hand	14 (i)	Recorded at book value, which approximates fair value.	
Receivables penalties receivable	3	Recognition - upon receipt of fines by QLD 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	2 (b)	Recognition - at the end of the financial year. Measurement - based on the preliminary distribution provided by QIC.	Interest is normally paid in August of the following year.
loans receivable	3	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.
Investment securities	4	Recognition - on the day funds are invested. Measurement - at net market value.	Can be drawn upon as and when required.
<b>Financial Liabilities</b>			
Payables	6	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.

## Notes to and forming part of the financial statements

### For the year ended 30 June 2002

#### Note 15 (continued) Financial Instruments

The Fund invests with the Queensland Investment Corporation (QIC). The QIC 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.

2002	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		
<b>Financial assets</b>							
Cash		-	-	-	-	999	999
Receivables	3	-	-	-	-	1,211	1,211
Investments	4	-	-	-	-	24,872*	24,872
		-	-	-	-	27,082	27,082
<b>Financial liabilities</b>							
Payables	6	-	-	-	-	237	237
Net financial assets (liabilities)		-	-	-	-	26,845	26,845

2001	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		
<b>Financial assets</b>							
Cash		-	-	-	-	600	600
Receivables	3	-	-	-	-	6,423	6,423
Investments	4	-	-	-	-	84,029*	84,029
		-	-	-	-	91,052	91,052
<b>Financial liabilities</b>							
Payables	6	-	-	-	-	130	130
Net financial assets (liabilities)		-	-	-	-	90,922	90,922

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

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

**Note 15 (continued) Financial Instruments**

(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, approximate their fair values. The fair value of investments is measured at net market value based on QIC advice.

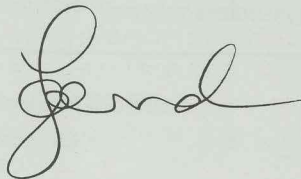
**Note 16 Segment Information**

The Commission operates within one primary and one geographical segment, that being the administration of the Queensland compulsory third party motor vehicle insurance scheme.

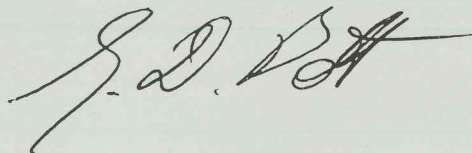
## Certificate of the Motor Accident Insurance Commission

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 2002 and of the financial position of the Commission as at 30 June 2002.



**L Anderson**  
Insurance Commissioner



**G Bott**  
Manager Systems and Finance

Dated: 13 September 2002

# Independent Audit Report

## The Insurance Commissioner of the Motor Accident Insurance Commission

### Scope

I have audited the general purpose financial statements of the Motor Accident Insurance Commission prepared by the statutory body for the year ended 30 June 2002 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, 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 Motor Accident Insurance Commission 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.

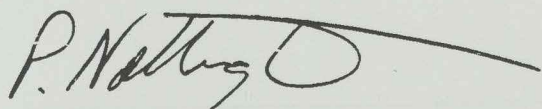
The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence 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 performance as represented by 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 from 1 July 2001 to 30 June 2002 and of the financial position as at the end of that year.



P J Nottingham  
Audit Manager  
(Delegate of the Auditor-General)

Queensland Audit Office  
Brisbane

Dated: 20 September 2002

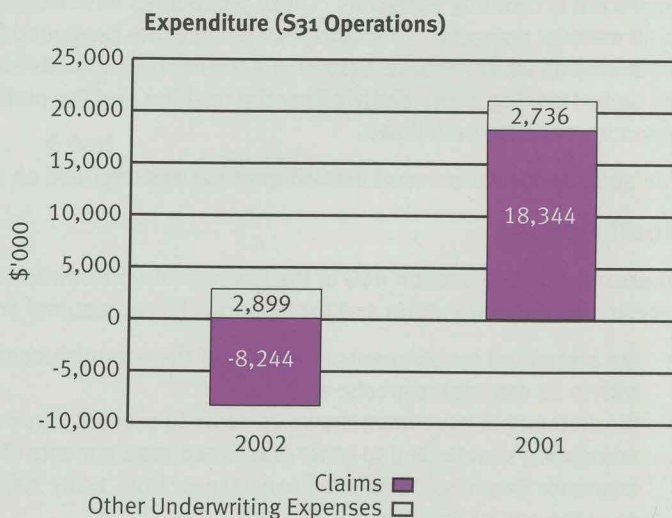
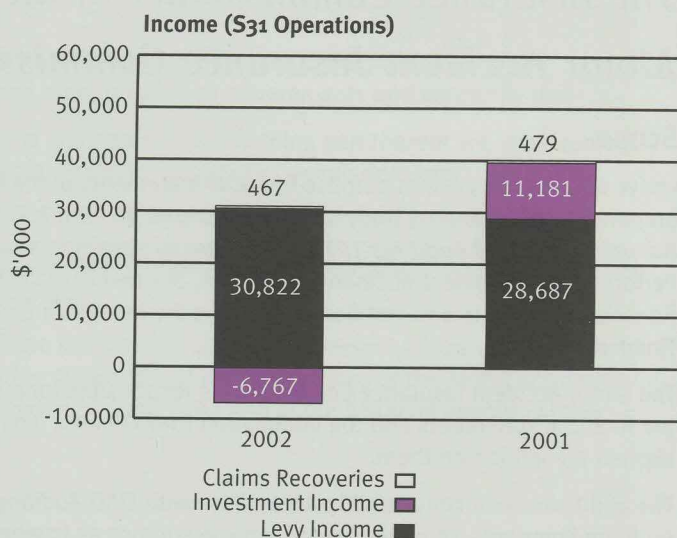
## Nominal Defendant

# Financial Summary

The operating surplus of the Nominal Defendant was \$0.645 million for the year ended 30 June 2002 compared to the prior year's operating loss of \$380,636 million which was a result of the insolvency of FAI General Insurance Company Ltd (FAI). The State Government advanced \$63.790 million to the Nominal Defendant to meet the liabilities of FAI during the year with an amount of \$23.281 million receivable at the end of the year. The amount of this advance was determined after deducting the proceeds of the increase in the CTP levy and funds transferred from the Motor Accident Insurance Fund during the year.

In relation to the normal business of the Nominal Defendant (claims relating to unidentified and uninsured vehicles under section 31 of the Act), payments on claims and associated costs during the financial year increased from \$16.277 million to \$24.852 million. The provisions for outstanding claims were actuarially assessed as being able to decrease by \$33.096 million compared to a \$2.067 million increase last year.

On the revenue side, income from the levy for the normal business of the Nominal Defendant was increased to \$30.822 million reflecting growth in the number of insured vehicles and a full year at the rate of \$12.40 per vehicle. Income from investments fell significantly due to the negative rate of return on investments.



Nominal Defendant

Statement of Financial Performance  
For the Financial Year ended 30 June 2002

	NOTE	2002 \$'000	2001 \$'000
<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
Levy income	1(i)	34,568	28,687
Investment income	5	(6,767)	11,181
		<u>27,801</u>	<u>39,868</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
Claims	2	22,691	417,299
Claims recoveries		(1,152)	(479)
Net claims incurred		<u>21,539</u>	<u>416,820</u>
Other ordinary expenses	4	5,617	3,684
		<u>27,156</u>	<u>420,504</u>
<b>PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>	13	<u>645</u>	<u>(380,636)</u>

The accompanying notes form part of these financial statements.

## Nominal Defendant

### Statement of Financial Position As at 30 June 2002

	NOTE	2002 \$'000	2001 \$'000
<b>CURRENT ASSETS</b>			
Cash assets		719	620
Receivables	6	37,101	12,220
Investment securities	7	35,447	23,759
Prepayments		2	2
<b>Total current assets</b>		<b>73,269</b>	<b>36,601</b>
<b>NON-CURRENT ASSETS</b>			
Investment securities	7	148,599	149,771
Property, plant and equipment	8	84	63
<b>Total non-current assets</b>		<b>148,683</b>	<b>149,834</b>
<b>TOTAL ASSETS</b>		<b>221,952</b>	<b>186,435</b>
<b>CURRENT LIABILITIES</b>			
Payables	9	820	687
Provision for employee entitlements	10	43	44
Provision for outstanding claims	11	120,693	129,388
Unearned levies	1(i)	19,887	14,125
<b>Total current liabilities</b>		<b>141,443</b>	<b>144,244</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for outstanding claims	11	297,217	404,431
<b>Total non-current liabilities</b>		<b>297,217</b>	<b>404,431</b>
<b>TOTAL LIABILITIES</b>		<b>438,660</b>	<b>548,675</b>
<b>NET ASSETS</b>		<b>(216,708)</b>	<b>(362,240)</b>
<b>EQUITY</b>			
Contributed equity	12	145,010	121
Accumulated Losses	13	(361,718)	(362,361)
<b>TOTAL EQUITY</b>		<b>(216,708)</b>	<b>(362,240)</b>

The accompanying notes form part of these financial statements.

Statement of Cash Flows  
For the Financial Year ended 30 June 2002

	NOTE	2002 \$'000	2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<b>Inflows:</b>			
Levies		38,578	31,499
Claims recoveries		1,152	479
Investment income		4,380	23,959
GST input taxes recovered from ATO		1,344	296
<b>Outflows:</b>			
Claims		(150,941)	(41,565)
Salaries and related expenses		(711)	(601)
Other		(4,748)	(3,197)
GST paid to ATO		<u>0</u>	<u>0</u>
Net cash provided by (used in) operating activities	16(ii)	(110,946)	10,870
CASH FLOWS FROM INVESTING ACTIVITIES			
<b>Inflows:</b>			
Proceeds on disposal of property, plant and equipment		2	0
<b>Outflows:</b>			
Purchase of property, plant and equipment		<u>(49)</u>	<u>(67)</u>
Net cash (used in) investing activities		(47)	(67)
CASH FLOWS FROM FINANCING ACTIVITIES			
<b>Inflows:</b>			
Transfer from MAIC		57,818	0
Queensland Treasury Indemnity Receipts		<u>63,790</u>	<u>0</u>
Net cash provided by financing activities		121,608	0
<b>NET INCREASE IN CASH HELD</b>			
Cash at the beginning of the financial year		<u>174,150</u>	<u>163,347</u>
CASH AT THE END OF THE FINANCIAL YEAR	16(i)	<u>184,765</u>	<u>174,150</u>

The accompanying notes form part of these financial statements.

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### 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. The financial statements have been prepared on an historical cost basis, except as otherwise disclosed in the financial statements or notes.

Amounts shown have been rounded to the nearest thousand dollars.

##### (c) Going Concern

These financial statements have been prepared on a going concern basis.

Under Section 33(2) of the *Motor Accident Insurance Act 1997*, the Nominal Defendant has assumed the Queensland Compulsory Third Party liabilities of the insolvent insurer, FAI General Insurance Company Limited (FAI).

The State Government has agreed to indemnify the Nominal Defendant for any shortfalls relating to the above. Funds to be advanced to the Nominal Defendant will be determined after taking into consideration the increase in the CTP levy, potential recoveries from the liquidator of the insolvent insurer and funds transferred from the Motor Accident Insurance Commission as detailed in Note 1(n).

##### (d) Operating Assets

In order to comply with the *Non-Current Asset Accounting Guidelines for the Queensland Public Sector* issued by Queensland Treasury, operating assets have been recorded at cost.

The Nominal Defendant changed its accounting policy from 1 July 2001 and commenced with a new threshold for the recording of operating assets at \$5,000 (previously \$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.

##### (e) 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 – 5 years
Computer Software	5 years

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

Note 1 (continued) Statement of Significant Accounting Policies

(f) Amortisation

Amortisation 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:

Leasehold Improvements 12 years

(g) Funding of Nominal Defendant Fund

Funding is by way of levies, as explained at Note 1(i); interest on investments; and moneys recovered by the Nominal Defendant against owners and/or drivers of uninsured vehicles and failed claimants. In addition, any shortfall resulting from FAI claims liabilities is funded by the State Government as detailed at Note 1(c).

(h) Provision for Outstanding Claims

Provisions for outstanding claims have been actuarially calculated as at 30 June 2002 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 11.

(i) 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 Statement of Financial Performance 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 Statement of Financial Position and then systematically transferred to revenue in the Statement of Financial Performance 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.

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 1 (continued) Statement of Significant Accounting Policies

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*.

##### (j) 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.

##### (k) 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 2002 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

The Nominal Defendant participates in the State Government's long service scheme in which a levy is made on the Nominal Defendant to cover this expense. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken. No provision for long service leave is recognised in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AAS31- Financial Reporting by Governments.

##### (l) 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.

##### (m) 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.

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

Note 1	(continued) Statement of Significant Accounting Policies
(n)	<p><b>Contingent Liabilities</b></p> <p>In accordance with the Deed of Indemnity to the Nominal Defendant for the assumed HIH CTP Liability, where the cash receipts of the CTP levy surcharge and any amounts received from the liquidator of the HIH Group exceed the amount paid for the claims liabilities and management costs, as a result of the insolvency of FAI General Insurance Company Limited, the Nominal Defendant will pay the excess to the Treasurer.</p> <p>Under section 33(6) and 33(7) of the <i>Motor Accident Insurance Act 1994</i>, should circumstances give rise to a recovery from the liquidation of FAI General Insurance Company Limited, or recovery from another party, the Treasurer may, by written notice to the Nominal Defendant, direct it to return funds of an amount, not exceeding \$57,818,000 to the Motor Accident Insurance Fund. Refer note 12.</p>
(o)	<p><b>Leases</b></p> <p>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.</p>

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 2 Claims

	NOTE	2002 \$'000	2001 \$'000
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.			
(Decrease)/Increase in provision for outstanding claims		(115,908)	375,734
Claims and associated settlement costs		138,599	41,565
Total		<u>22,691</u>	<u>417,299</u>

#### Claims attributable to FAI

The following amounts attributable to FAI are included in the claims figures listed above.

(Decrease)/Increase in provision for outstanding claims	(82,812)	373,667
Claims and associated settlement costs	113,748	25,288
Total	<u>30,936</u>	<u>398,955</u>

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### 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.

	2002			2001		
	Current Year \$000	Prior Years \$000	Total \$000	Current Year \$000	Prior Years \$000	Total \$000
Gross Claims incurred and related expenses - undiscounted	36,657	(58,430)	(21,773)	53,370	(32,839)	20,531
Reinsurance and other recoveries - undiscounted	(1,336)	519	(817)	(2,254)	208	(2,046)
Net claims incurred - undiscounted	35,321	(57,911)	(22,590)	51,116	(32,631)	18,485
Discount and discount movement - gross claims incurred	(7,602)	21,572	13,970	(14,162)	13,172	(990)
Discount and discount movement - reinsurance and other recoveries	279	(370)	(91)	557	(187)	370
Net discount movement	(7,323)	21,202	13,879	(13,605)	12,985	(620)
Net Claims Incurred - discounted	<u>27,998</u>	<u>(36,709)</u>	<u>(8,711)</u>	<u>37,511</u>	<u>(19,646)</u>	<u>17,865</u>

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 3 (continued) Net Claims Incurred

##### Claims attributable to FAI

	2002			2001		
	Current Year \$000	Prior Years \$000	Total \$000	Current Year \$000	Prior Years \$000	Total \$000
Gross Claims incurred and related expenses - undiscounted	0	27,624	27,624	37,947	441,701	479,648
Reinsurance and other recoveries - undiscounted	0	(10,784)	(10,784)	(1,799)	(28,309)	(30,108)
Net claims incurred - undiscounted	0	16,840	16,840	36,148	413,392	449,540
Discount and discount movement - gross claims incurred	0	13,245	13,245	(6,056)	(48,571)	(54,627)
Discount and discount movement - reinsurance and other recoveries	0	166	166	405	3,637	4,042
Net discount movement	0	13,411	13,411	(5,651)	(44,934)	(50,585)
Net Claims Incurred - discounted	0	30,251	30,251	30,497	368,458	398,955

##### Net Claims Incurred

	NOTE	2002 \$'000	2001 \$'000
Net Claims Incurred - discounted		(8,711)	17,865
Claims Recoveries		466	479
		(8,245)	18,344
Add: Claims attributable to FAI		30,251	398,955
Claims Recoveries - FAI		685	0
	2	30,936	398,955
Total claims	2	22,691	417,299

## Nominal Defendant

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

### Note 4 Other Underwriting Expenses

	NOTE	2002 \$'000	2001 \$'000
Salaries and wages			
Salaries and wages		552	462
Superannuation		66	55
Long service leave expense		8	7
Recreation leave expense		47	41
Other related expenses		37	39
Depreciation			
Plant and equipment		10	18
Computer software		15	4
Rent		66	70
Consultancy Expenditure		74	68
Reinsurance		1,526	1,360
Administration Fees		382	447
FAI Management Costs		2,483	502
Other		351	611
Total		<u>5,617</u>	<u>3,684</u>

#### Other Underwriting Expenses attributable to FAI

Salaries and wages			
Salaries and wages		61	0
Superannuation		9	0
Long service leave expense		1	0
Recreation leave expense		5	0
Other related expenses		4	0
Consultancy Expenditure		50	68
FAI Management Costs		2483	829
Other		132	51
Total		<u>2,745</u>	<u>948</u>

## Nominal Defendant

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

Note 5	Investment Income		
	NOTE	2002 \$'000	2001 \$'000
Distributions received from Queensland Investment Corporation		(6,842)	11,121
Interest received from funds held by Queensland Treasury		75	60
Total		<u>(6,767)</u>	<u>11,181</u>

Note 6	Receivables		
	NOTE	2002 \$'000	2001 \$'000
Accrued investment income		25	11,172
Levies receivable		1,121	829
Queensland Treasury Indemnity Receipts		23,281	0
Other Recoveries Receivable		12,341	0
Other		333	219
Total		<u>37,101</u>	<u>12,220</u>

Note 7	Investment Securities		
	NOTE	2002 \$'000	2001 \$'000
<b>Current</b>			
Queensland Investment Corporation		35,447	23,759
<b>Non-Current</b>			
Queensland Investment Corporation		148,599	149,771
Total		<u>184,046</u>	<u>173,530</u>

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 8 Property, Plant and Equipment

	NOTE	2002 \$'000	2001 \$'000
<b>Property</b>			
Leasehold improvements - at cost		59	41
Accumulated amortisation		(5)	(0)
Total property		<u>54</u>	<u>41</u>
<b>Plant and Equipment</b>			
Plant and equipment - at cost		103	121
Accumulated depreciation		(80)	(121)
Total		<u>23</u>	<u>0</u>
Computer software - at cost		174	174
Accumulated depreciation		(167)	(152)
Total		<u>7</u>	<u>22</u>
Total plant and equipment		<u>30</u>	<u>22</u>
<b>Total Property, Plant and Equipment</b>		<u>84</u>	<u>63</u>

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Leasehold Improvements \$'000	Plant & Equipment \$'000	Computer Software \$'000	TOTAL \$'000
Carrying amount at beginning of the financial year	41	0	22	63
Additions	5	44	0	49
Disposals	0	0	0	0
Transfers	13	(16)	0	(3)
Depreciation Charged	(5)	(5)	(15)	(25)
QT Adjustments	0	0	0	0
Carrying amount at the end of the financial year	<u>54</u>	<u>23</u>	<u>7</u>	<u>84</u>

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 11 (continued) Provision for Outstanding Claims

	NOTE	2002 \$'000	2001 \$'000
<b>Outstanding Claims attributable to FAI</b>			
Expected future claims payments (undiscounted)		326,438	420,702
Discount to present value		(35,583)	(47,035)
Liability for outstanding claims		<u>290,855</u>	<u>373,667</u>
(i) The weighted average expected term to settlement from the reporting date of the outstanding claims is estimated to be 2.16 years (2001 - 2.28 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		7.0%	6.5%
Discount rate		5.7%	5.6%
Later than one year			
Inflation rate		7.0%	6.5%
Discount rate		5.7%	5.6%

#### Note 12 Contributed Equity

	NOTE	2002 \$'000	2001 \$'000
Assets and Liabilities transferred from Nominal Defendant (Queensland) on establishment of the Nominal Defendant on 1 September 1994	1(a)	121	121
Return of contributed equity - MAIC	(i)	57,818	0
Non appropriated equity injection	(ii)	<u>87,071</u>	<u>0</u>
Total equity at the reporting date		<u>145,010</u>	<u>121</u>
(i) Under section 33(4) and 33(5) of the <i>Motor Accident Insurance Act 1994</i> , the amount of \$57,818,000 was transferred from the Motor Accident Insurance Fund (MAIC) to the Nominal Defendant Fund on 22 January 2002 to be applied to the outstanding claims liabilities arising from the insolvency of FAI General Insurance Company Limited.			
(ii) Funding provided by the State Government in accordance with indemnity for shortfalls relating to liabilities of FAI General Insurance Company Limited.			

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 13 Accumulated Losses

	NOTE	2002 \$'000	2001 \$'000
Accumulated Losses at the beginning of the financial year		(362,361)	18,264
Profit/(Loss) from ordinary activities		645	(380,636)
Queensland Treasury adjustments		(2)	11
Accumulated Losses at the reporting date		<u>(361,718)</u>	<u>(362,361)</u>

#### Note 14 Auditor's Remuneration

	NOTE	2002 \$'000	2001 \$'000
Remuneration received or due and receivable by the Auditor-General of Queensland for external audit services		<u>19</u>	<u>20</u>

#### Note 15 Operating Lease Rental Commitments

	NOTE	2002 \$'000	2001 \$'000
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		77	80
Due later than one year but not later than five years		28	106
Total		<u>105</u>	<u>186</u>

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 16 Statement of Cash Flows

	NOTE	2002 \$'000	2001 \$'000
<b>(i) Reconciliation of cash</b>			
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		719	620
Investments	7	184,046	173,530
Total		<u>184,765</u>	<u>174,150</u>
<b>(ii) Reconciliation of operating (loss)/profit with net cash used in operating activities</b>			
Operating profit/(loss)		645	(380,636)
Add/(less) non - cash items:			
Depreciation		25	22
Loss/(Profit) on disposal of assets		(2)	0
Queensland Treasury adjustments		1	(10)
Direct changes to equity			
Recreation leave		0	11
Changes in assets and liabilities:			
Increase in prepayments		0	(1)
(Increase)/Decrease in receivables		(1,600)	14,851
Increase in creditors		133	378
Increase in unearned levies		5,762	521
Decrease in provisions		(115,910)	375,734
Net cash provided by (used in) operating activities		<u>(110,946)</u>	<u>10,870</u>
<b>(iii) The Nominal Defendant Fund has no unused borrowing or overdraft facility.</b>			

# Notes to and forming part of the financial statements For the year ended 30 June 2002

## Note 17 Financial Instruments

### (a) Terms, Conditions and Accounting Policies

Financial Instrument	Related Financial Statement Notes	Accounting Policies	Terms & Conditions
<b>Financial Assets</b>			
Cash on hand		Recorded at book value, which approximates fair value.	
Receivables	6	Recognition - 7 days from due date Measurement - based on levy rates fixed by regulation. Recorded at book value.	Received 7 days from the due date
levies receivable			
interest on investments	5	Recognition - at the end of the financial year. Measurement - based on the final distribution statement provided by QIC.	Interest is normally paid in August of the following year.
Investments	7	Recognition - on the day funds are invested. Measurement - at net market value.	Can be drawn upon as and when required.
<b>Financial Liabilities</b>			
Payables	9	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 (QIC). The QIC 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.

## Nominal Defendant

Notes to and forming part of the financial statements  
For the year ended 30 June 2002

### Note 17 (continued) Financial Instruments

2002	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		-	-	-	-	719	719
Receivables	6	-	-	-	-	37,101	37,101
Investments	7	-	-	-	-	184,046*	184,046
		-	-	-	-	221,866	221,866
Financial liabilities							
Payables	9	-	-	-	-	820	820
Net financial assets (liabilities)		-	-	-	-	221,046	221,046

2001	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		-	-	-	-	620	620
Receivables	6	-	-	-	-	12,220	12,220
Investments	7	-	-	-	-	173,530 *	173,530
		-	-	-	-	186,370	186,370
Financial liabilities							
Payables	9	-	-	-	-	687	687
Net financial assets (liabilities)		-	-	-	-	185,683	185,683

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

## Nominal Defendant

### Notes to and forming part of the financial statements For the year ended 30 June 2002

#### Note 17 (continued) Financial Instruments

(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 approximate their fair values. The fair value of investments is measured at net market value based on QIC advice.

#### Note 18 Segment Information


The Nominal Defendant operates in one primary and geographical segment and operates as a statutory body in the motor vehicle insurance industry in Queensland.

## Nominal Defendant

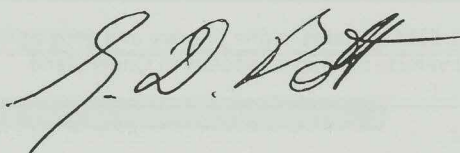
# Certificate of the Nominal Defendant

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 2002 and of the financial position as at 30 June 2002.



**L Anderson**  
Nominal Defendant



**G Bott**  
Manager Systems and Finance

Dated: 13 September 2002

## Independent Audit Report

### Scope

I have audited the general purpose financial statements of the Nominal Defendant prepared by the statutory body for the year ended 30 June 2002 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, 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.

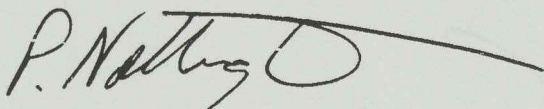
The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence 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 in Australia which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the Nominal Defendant's financial position and the performance as represented by 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 2001 to 30 June 2002 and of the financial position as at the end of that year.



P J Nottingham FCPA  
Audit Manager  
(Delegate of the Auditor-General)

Queensland Audit Office  
Brisbane

Dated: 20 September 2002

## Actuarial Certificate – Nominal Defendant – Section 31 Claims

### Actuarial Certificate on Outstanding Claims Liability as at 30 June 2002

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 2002 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 2002*". 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.

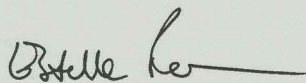
### Results

The provision adopted by the Nominal Defendant as at 30 June 2002 is \$127 million. 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 in line with the requirements under the APRA liability valuation standard.

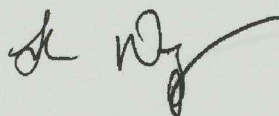
### Reliances and Limitations

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.



Estelle Pearson



Loan-Anh Nguyen

Fellows of the Institute of Actuaries of Australia

# Actuarial Certificate – Nominal Defendant

## – Section 33 Claims

### Actuarial Certificate on Outstanding Claims Liability as at 30 June 2002

Trowbridge Consulting was asked by the Queensland Motor Accident Insurance Commission to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities in respect of the FAI runoff as at 30 June 2002, 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 for FAI Run-Off as at 30 June 2002*". 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.

### Results

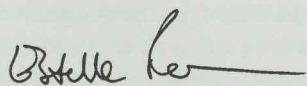
The provision adopted by the Nominal Defendant as at 30 June 2002 is \$291 million. This incorporates our discounted central estimate of the outstanding claims liability allowing for future claim inflation, expected future investment income on the assets supporting the Fund's liabilities and claim handling expenses. No prudential margin is included in the estimate

### Reliances and Limitations

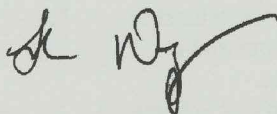
In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency. Reliance was placed on, but not limited to, the accuracy of the information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

We have assumed for the purpose of our estimates that all reinsurance recoveries under the treaties covering FAI's Queensland CTP, as well as sharing recoveries on this portfolio will be fully recoverable.

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.



Estelle Pearson



Loan-Anh Nguyen

Fellows of the Institute of Actuaries of Australia

# Information Sources

## Publications

The Commission has the following publications available to the public at no charge:

- The Motor Accident Insurance Commission Annual Reports
- Work Training Guidelines for CTP Rehabilitation Providers
- MAIC Guidelines for CTP rehabilitation providers
- Review of Queensland Compulsory Third Party Insurance Scheme 1999
- Mitigating State Government Risk in Compulsory Third Party Insurance 2002

## Website

The publications listed are also available on-line at the Commission's Website ([www.maic.qld.gov.au](http://www.maic.qld.gov.au)), along with the following information:

- CTP Claims Information
- Information on the CTP premium setting process
- Forms for claimants, legal practitioners and medical practitioners
- Information for medical practitioners, rehabilitation providers, and legal practitioners
- Guidelines and information for insurers
- MAIC Funding initiatives

## Community Participation In Policy-Making

The Commission operates a Claims Helpline which is accessible free of charge to the Queensland public. The Claims Helpline 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 Helpline 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 major Review in 1999 involved wide consultation, with the Review Committee travelling to a number of 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 is available on the MAIC website at [www.maic.qld.gov.au](http://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, state an address to which a notification of the decision may be sent, and be accompanied by an application fee of \$32.50 if the request relates to matters which are not of a personal nature relating to the applicant.
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 applies to such documents.
6. A \$20 per hour processing charge applies to access all non-personal information. This is in addition to the \$32.50 application fee. Photocopies of documents regarding a non-personal application are available at twenty cents per photocopied page.
7. 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.

## Licensed Compulsory Third Party Insurers

(as at 30 June 2002)

**Allianz Australia Insurance Limited**  
(formerly MMI General Insurance Limited)  
GPO Box 1028  
Brisbane Qld 4001  
Ph 1300 655 663  
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 Allianz Limited**  
(trading as FAI Insurance)  
GPO Box 2226  
Brisbane Qld 4001  
Ph 13 10 00  
ABN 80 094 802 525  
(Note: Licence withdrawn 01/07/2002)

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

**QBE Insurance (Australia) Limited**  
GPO Box 1072  
Brisbane Qld 4001  
Ph 1800 112 472  
ABN 78 003 191 035

**RACQ Insurance Limited**  
(trading as RACQ Insurance)  
PO Box 4  
Springwood Qld 4127  
Ph 13 19 05  
ABN 50 009 704 152

**Suncorp Metway Insurance Limited**  
GPO Box 1453  
Brisbane Qld 4001  
Ph 13 11 60  
ABN 83 075 695 966

## Previously Licensed Compulsory Third Party Insurers

(as at 30 June 2002)

**CIC Insurance Limited**  
ACN 004 078 880  
*Licence withdrawn 22/01/1996;*  
*Insurer became insolvent on 15 March 2001.*

**GIO General Limited**  
ACN 002 861 583  
*Licence withdrawn 30/06/1996*

**Mercantile Mutual Insurance (Australia) Ltd**  
ACN 000 456 799  
*Licence withdrawn 01/11/1996*

**Commercial Union Assurance of Australia Ltd**  
ACN 004 478 371  
*Licence withdrawn 01/03/1997*

**Zurich Australian Insurance Limited**  
ACN 000 296 640  
*Licence withdrawn 15/11/1997*

**Fortis Insurance Limited**  
(formerly VACC Insurance Co. Limited)  
ACN 004 167 953  
*Licence suspended 30/03/1999 pending withdrawal*

**FAI General Insurance Company Limited**  
ABN 15 000 327 855  
*Licence suspended on 1 January 2001; insurer became insolvent on 15 March 2001.*

\*NB For further information regarding the above listed insurers please contact the Motor Accident Insurance Commission's CTP Claims Helpline on 1300 302 568.

# Grants and Funding

## Grants from the Motor Accident Insurance Fund

	Future Commitment	2001/02 \$	2000/01 \$
<b>CONROD</b> (Including the Chair of Rehabilitation Medicine)	7,356,000	1,914,579	3,069,000
<b>CARRS-Q</b>	4,544,000	1,136,000	514,000
Road Accident Prevention and Road Safety – Rural and Remote Research Project	780,000*	0	0
<b>University of Queensland</b> Chair of Orthopaedic Medicine	0	0	54,168
<b>Princess Alexandra Hospital Foundation</b> Acquired Brain Injury Outreach Services	0	789,673#	0
Spinal Injury Outreach Team and Transitional Rehabilitation Program Service	0	1,722,223#	0
<b>Royal Children's Hospital Foundation</b> Statewide Paediatric Rehabilitation Service	960,000	960,000	0
<b>James Cook University</b> Distance Education for Disabled Project	0	60,000	100,000
<b>Queensland University of Technology</b> Fellowship in Clinical Biomechanics – additional funding	20,000	17,992	0
ARC SPIRT Grant – Alcohol Ignition Interlock Project	0	17,439	21,089
<b>Department of Transport</b> Road Safety Media Campaign	0	0	450,000
<b>Queensland Health and CONROD</b> Trauma Register and Data Coordination Project	0	0	187,000
<b>Emergency Services – Queensland Ambulance Service</b> Queensland Trauma Plan Project (formerly referred to as Analysis and Evaluation of the Qld Trauma System)	345,617	308,403	0
<b>Injury Prevention and Control Australia Ltd</b> Member contribution to NHRMC Partnerships in Injury Research	400,000	100,000	0
<b>Griffith University</b> Centre for Human Services	300,000	0	0
<b>TOTAL</b>	<b>14,705,617</b>	<b>7,026,309</b>	<b>4,395,257</b>

\* Arrangements for the Commission's contribution to the CARRS-Q Rural & Remote Research Project have yet to be finalised.

# 2000/01 payments delayed to 2001/02.

## 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
- University of Southern Queensland
  - Mechatronics and Biomedical Engineering Research Fellowship
- University of Queensland
  - School of Health and Rehabilitation Sciences
    - Research Unit (*formerly referred to as Speech Therapy/Audiology/Physiotherapy/ Occupational Therapy – Research Unit*)
  - Orofacial Trauma Research Unit
  - Teaching and Community Services Rehabilitation Research Fellowship
- Central Queensland University
  - School of Psychology and Sociology – Research Project (*formerly referred to as Sociology/Social Work Research Project*)

## Research Centres

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 2001 and is available by contacting the centre on (07) 3365 5560. The current CARRS-Q report relates to the half year ending 30 June 2002 and is available by telephoning (07) 3864 4589.

# Contact Details

## Motor Accident Insurance Commission

Address: Level 18 – 288 Edward Street, Brisbane Qld  
 Postal Address: GPO Box 1083, Brisbane Qld 4001  
 Ausdoc: DX 147 Brisbane Qld  
 Telephone: 07 – 3227 8088  
 Facsimile: 07 – 3229 3214  
 E-mail: [maic@maic.qld.gov.au](mailto:maic@maic.qld.gov.au)  
 Website: [www.maic.qld.gov.au](http://www.maic.qld.gov.au)

Insurance Commissioner	Lesley Anderson	07 – 3227 8105
Deputy Insurance Commissioner	John Hand	07 – 3227 8125
Executive Secretary	Julie Ecimovic	07 – 3227 7063
Reception/ Administrative Assistant	Lisa Proctor/Esther Lewis	07 – 3227 8088
Project Officer	Janette Archibald	07 – 3224 5001
Manager, Systems and Finance	Greg Bott	07 – 3227 8164
Senior Analyst, Premium Analysis and Licensing	Vacant	07 – 3224 4834
Senior Finance Officer	Tulia Koroivawai-Gauna	07 – 3224 5018
Acting Finance Officer	Kellie Phie	07 – 3224 4835
Policy Officer, Systems and Finance	Debbie Davis	07 – 3224 4562
Information Technology Support	Troy Dunton	07 – 3227 8381
Assistant Manager, Research and Compliance	Wayne Saville	07 – 3234 0598
Industry Liaison Officer	Lynne McCall	07 – 3227 8022
Research and Compliance Officer (P/T)	Sherri Robinson	07 – 3224 4849
Acting Research and Compliance Officer (P/T)	Lisa Hopson	07 – 3224 4849
Data Analyst	Beth Sanders	07 – 3234 0598
Manager, Policy and Liaison	Neil Tomkins	07 – 3227 8242
Senior Policy Officer	Melissa Pignolet	07 – 3224 4383
Manager, Injury Management and Claims	Kim Birch	07 – 3227 8162
Policy Adviser, Injury Management and Claims	David Vincent	07 – 3234 0596
Policy Adviser, Injury Management	Cathy Pilecki	07 – 3224 5002
Client Services Officer	Kevin Lee	07 – 3227 8432
Acting Client Services Officer	Natalie Pershouse	07 – 3227 8250

## Nominal Defendant

Address: Level 18 – 288 Edward Street, Brisbane Qld  
 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](mailto:nd@maic.qld.gov.au)

Nominal Defendant	Lesley Anderson	07 – 3227 8105
Manager, Nominal Defendant	Les Kilmartin	07 – 3227 8213
Assistant Manager, Nominal Defendant	Robin Lee	07 – 3227 8908
Claim Manager	Don Sacre	07 – 3227 8284
Claim Manager	Laurie Meteyard	07 – 3227 8354
Claim Manager	Rex Mellifont	07 – 3227 8387
Claim Manager	Ian Evans	07 – 3227 8359
Claim Manager	John Foster	07 – 3227 8353
Assistant Claim Manager	Michael Walpole	07 – 3227 8402
Assistant Claim Manager	Katie Gilmour	07 – 3227 8412
Administration Officer	Sandra Clifton	07 – 3227 8596

## CTP Claims Helpline

Telephone: 1300 302 568





## **Queensland Government**

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