

8.1 / Appendix A: Terms of reference

A Committee inquire into and report on:

A. Options to improve the efficiency and affordability of the Queensland CTP Scheme for Queensland motorists (as premium paying funders of the scheme) and ensuring the Scheme continues to deliver fair and timely compensation for injured people.

B. Without limiting the scope of the above, the Review Committee is requested to:

1. Explore the relative merits of private or government (public) underwriting of the CTP scheme
 - a. for private underwriting identify and recommend any improvements that could be made in relation to Insurer licensing or allowances for delivery costs, operating costs and profit margin and mechanisms to encourage and promote competition to the benefit of the average motorist
 - b. for government underwriting identify the respective costs, benefits and implications of adopting this model .
2. Examine whether existing CTP Scheme arrangements can be improved including:
 - a. Vehicle Class Filing system
 - b. quarterly premium determination process
 - c. sales and distribution of CTP insurance via motor dealers and other entities
 - d. setting the existing Affordability Index at 45 per cent of Average Weekly Earnings
 - e. Insurer licensing and Prudential supervision requirements having regard to the current APRA prudential supervision regime for general insurers
 - f. MAIC functions
3. Examine whether improvements in scheme coverage are warranted having regard to ensuring the Scheme remains contemporary, fair and affordable in providing benefits to people injured in road crashes
4. Explore mechanisms to provide transparency of claimant and insurer legal costs, including solicitor and barrister costs, disbursements and administration charges, to enable better monitoring of scheme efficiency

The review process is to include a call for submissions from the public. The Review Committee is to provide recommendations to the Government by 9 December 2016.

The intention of this Review would be to ensure further CTP Scheme savings can be reflected in the 2017-18 premium setting process.