

APPENDICES

Appendix 1: Actuarial Certificate, Nominal Defendant Fund

Actuarial Certificate Queensland Nominal Defendant Fund Outstanding Claims Liability as at 30 June 2016

The State Actuary's Office was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities as at 30 June 2016 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 "Nominal Defendant Outstanding Claims Liability Review 30 June 2016". The advice set out in our report has been prepared in compliance with the relevant accounting standard AASB 137 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The recommended provision for the Nominal Defendant as at 30 June 2016 is \$129.4 million, comprising the central estimate of the liability for outstanding claims and a prudential margin. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses. The prudential margin of 10% of the central estimate allows for the risk and uncertainty associated with the estimated liability.

Reliances and Limitations

In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency.

Although we have prepared estimates in conformity with what we believe to be the likely future experience, the experience could vary considerably from our estimates. Deviations from our estimates are normal and to be expected.



A.A. van den Berg
Fellows of the Institute of Actuaries of Australia
3 August 2016



M. J. Clacher

Appendix 2: Actuarial Certificate, Nominal Defendant Fund – FAI Run-Off

Actuarial Certificate Queensland Nominal Defendant Fund – FAI Run-Off Outstanding Claims Liability as at 30 June 2016

The State Actuary's Office was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities in respect of the FAI run-off as at 30 June 2016 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 "Nominal Defendant – FAI Run-Off Outstanding Claims Liability Review 30 June 2016". The advice set out in our report has been prepared in compliance with the relevant accounting standard AASB 1023 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The recommended provision for the Nominal Defendant as at 30 June 2016 is \$8.7 million, comprising the central estimate of the liability for outstanding claims and a prudential margin. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses. The prudential margin of 16% of the central estimate allows for the risk and uncertainty associated with the estimated liability.

Reliances and Limitations

In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency.

Although we have prepared estimates in conformity with what we believe to be the likely future experience, the experience could vary considerably from our estimates. Deviations from our estimates are normal and to be expected.



A.A. van den Berg
Fellows of the Institute of Actuaries of Australia
3 August 2016



M. J. Clacher

Appendix 3: Licensed insurers

Current licensed CTP insurers

AAI Limited (trading as Suncorp)

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

Allianz Australia Insurance Limited

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

QBE Insurance (Australia) Limited

GPO Box 1072
Brisbane Qld 4001
Ph 07 3859 5666
ABN 78 003 191 035

RACQ Insurance Limited

PO Box 3313
Tingalpa DC Qld 4173
Ph 131 905
ABN 50 009 704 152

Previous licensed CTP insurers

Suncorp Metway Insurance Limited

ABN 83 075 695 966 *Licence withdrawn 01/07/2013*

Australian Associated Motor Insurers Limited (trading as AAMI)

ABN 92 004 791 744 *Licence withdrawn 01/07/2013*

Insurance Australia Limited (trading as NRMA Insurance)

ABN 11 000 016 722 *Licence withdrawn 01/01/2014*

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

FAI Allianz Limited (trading as FAI Insurance)

ABN 80 094 802 525 *Licence withdrawn 01/07/2002*

Appendix 4: Committees

Committees as at 30 June 2016

Section 11 of the *Motor Accident Insurance Act 1994* provides that the Commission may establish one or more advisory committees to advise on exercising its statutory functions. The Commission has one Advisory Committee to provide independent and expert advice on a range of matters with the primary activity relating to setting the premium bands.

The structure of the 2015-16 Advisory Committee was:

Chairperson – Bernard Rowley

Members – Rowan Ward

The Advisory Committee has extensive industry experience within the insurance industry. The areas of expertise of individual members are:

Committee member	Area of expertise
Bernard Rowley, former CEO of Suncorp	Insurance industry and actuarial experience
Rowan Ward, former executive General Manager, Actuarial services at Suncorp	Insurance industry and actuarial experience

From **1 July 2015 to 30 June 2016**, a total of seven meetings of the Advisory Committee were held. The total remuneration to the Committee for the year was **\$7,875.00**. These payments were made within the framework of the *Government's Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities* arrangements administered by the Department of Justice and Attorney-General.

Appendix 5: Performance Statement (SDS)

Service standards	Notes	2015-16 Published Annual Target	2015-16 Revised Annual Target	2015-16 Progress to Date
<i>Effectiveness measure</i>				
Highest filed CTP premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings		<45%	<45%	23.36%
<i>Efficiency measures</i>				
Percentage of the Nominal Defendant claims finalised compared to the number outstanding at the start of the financial year		50%	50%	75.9%
Percentage of Nominal Defendant claims settled within two years of compliance	1	50%	50%	73.8%
Percentage of Nominal Defendant claims with General Damages paid within 60 days of the settlement date	2	95%	95%	95.8%

1. Favourable variance is due to higher than anticipated number of claims being finalised.

2. Claims can take two to three years to settle, consequently it is difficult to estimate the number of claims that will be finalised in any given period.

Appendix 6: Grants and sponsorships

Organisation	Future commitment*	2015-16 \$	2014-15 \$
Recover Injury Research Centre formerly (CONROD) (2014-2017) incorporating: University of Queensland Griffith University allocation	2,068,755 1,152,941 915,814	1,964,860 1,075,719 889,141	2,400,000 1,536,758 863,242
Centre for Accident Research and Road Safety Queensland (CARRS-Q) (2011 – 2016) ^Additional funding for three years commencing 1 September 2016 approved in May 2016.	^8,432,873	2,730,047	2,637,396
Department of Transport and Main Roads Funding to support Transport Academic Partnership 2015-2020 - formerly Academic Strategic Transport Alliance (ASTRA).	285,606	0	52,999
Queensland Police Service Funding to support 'Stay on Track Outback'.	240,000	0	0
University of Sunshine Coast Young driver situation awareness fast tracking including identifying escape routes (SAFER) : a pilot project.	30,923	30,923	0
The George Institute for Global Health Contribution towards ongoing costs of Physiotherapy Evidence Database (PEDro).	25,000	25,000	25,000
University of Sydney Partnership funding to develop software to support improved management of people with whiplash.	8,000	28,000	4,000
University of Queensland To establish a Professorial Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2015-2020).	1,200,000	300,000	0
Griffith University Partnership funding to develop and test a decision system for identifying housing options, preferences and priorities in the disability market.	127,251	72,743	0
Metro South Hospital and Health Service Transitional rehabilitation service pilot (2016-2021).	14,675,918	0	0
University of Queensland via Children's Health Foundation Queensland Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2016-2021).	998,087	0	0
Griffith University Partnership funding to develop a clinical pathway of care for whiplash injury.	110,625	36,875	0
Griffith University Partnership funding to establish a Professor of Disability and Rehabilitation.	60,000	40,000	0

Organisation	Future commitment*	2015-16 \$	2014-15 \$
Spinal Injuries Association of Australia Contribution towards continuation of Queensland school awareness programme –Spinal Education Awareness Team (SEAT).	0	25,000	25,000
Centre for Accident Research and Road Safety Queensland (CARRS-Q) Reduce the crash involvement of taxis in Queensland: situational analysis and crash and exposure analyses.	0	0	99,585
Spinal Injuries Association of Australia Equipment for rehabilitation assessment centre.	0	0	42,818
Centre for Accident Research and Road Safety Queensland (CARRS-Q) Improving taxi driver safety with a smartphone feedback system: a pilot study.	0	0	101,013
Road Trauma Mitigation Fund Collaborate with Queensland Police Service (QPS) and Department of Transport and Main Roads (DTMR) around identified initiatives to reduce claims frequency and support Qld Road Safety Strategy and Action Plan.	3,795,000	2,325,000 DTMR-1,325,000 QPS-1,000,000	0
Total funding committed/allocated	32,058,038	7,578,448	5,387,811
Less refunds of residual grant funding			
Centre for Accident Research and Road Safety Queensland (CARRS-Q) To undertake an evaluation of the 'Braking the Cycle' intervention to assist disadvantaged youth to meet learner driver requirements.		(674)	0
Centre of National Research on Disability and Rehabilitation Medicine (CONROD) (2010-2014)		0	(463,560)
Centre for Accident Research and Road Safety Queensland (CARRS-Q) Undertake preliminary investigation and the production of a toolkit for use by providers of a community based mentor driving program.		0	(20,636)
Centre for Accident Research and Road Safety Queensland (CARRS-Q) To undertake an in-depth analysis of crashes involving young drivers in order to better understand factors behind these crashes and identify appropriate interventions.		0	(7,648)
Road Trauma Mitigation Fund		(24,940)	0
Total funding returned		(25,614)	(491,844)
GRANT TOTAL (Allocated less returned)		7,552,834	4,895,967

* Estimate of grant funding committed for expenditure from 1 Jul 2016.

Ongoing projects funded in previous years

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

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

Research centres

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

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

Sponsorship Program

In the 2015-16 financial year MAIC also provided \$132,318 in sponsorship funding for events and activities that promote either improved outcomes for persons injured in motor vehicle accidents or research and education about road safety and injury prevention. Sponsorships awarded include contributions towards Queensland Road Safety Week, Australian Physiotherapy Association Conference and Australasian Road Safety Conference held on the Gold Coast.

Appendix 7: Glossary

Term	Definition
1WS	1 William Street
ABI	Acquired Brain Injury
APRA	Australian Prudential Regulation Authority
ARMC	Audit and Risk Management Committee
CARRS-Q	Centre for Accident Research and Road Safety Queensland
CAV	Cooperative and Automated Vehicles
C-ITS	Cooperative Intelligent Transport System
CONROD	Centre of National Research on Disability and Rehabilitation Medicine
CTP	Compulsory Third Party
DTMR	the Department of Transport and Main Roads
MAIA	Motor Accident Insurance Act
MAIC	Motor Accident Insurance Commission
NIISQ	National Injury Insurance Scheme Queensland
QAO	Queensland Audit Office
QBI	Queensland Brain Institute
QPS	Queensland Police Service
QUT	Queensland University Of Technology
SEAT	Spinal Education Awareness Team
TRS	Transitional Rehabilitation Service
UQ	University of Queensland