

APPENDICES

APPENDIX 1: ACTUARIAL CERTIFICATE, NOMINAL DEFENDANT FUND

Actuarial Certificate Queensland Nominal Defendant Fund Outstanding Claims Liability as at 30 June 2017

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 2017 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 2017". 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 2017 is \$131.0 million, comprising the central estimate of the liability for outstanding claims and a prudential margin. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses. The prudential margin of 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
27 July 2017



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 2017

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 2017 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 2017". 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 2017 is \$5.0 million, comprising the central estimate of the liability for outstanding claims and a prudential margin. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses. The prudential margin of 16% of the central estimate allows for the risk and uncertainty associated with the estimated liability.

Reliances and Limitations

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

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



A.A. van den Berg
Fellows of the Institute of Actuaries of Australia
27 July 2017



M. J. Clacher

APPENDIX 3: LICENSED INSURERS

Currently 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 133 723
ABN 78 003 191 035

RACQ Insurance Limited

PO Box 3313
Tingalpa DC Qld 4173
Ph (07) 3893 9697
ABN 50 009 704 152

Previously licensed CTP insurers

Insurance Australia Limited (trading as NRMA Insurance)

ABN 11 000 016 722 *Licence withdrawn 01/01/2014*

Suncorp Metway Insurance Limited

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

Australian Associated Motor Insurers Limited

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

FAI Allianz Limited (trading as FAI Insurance)

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

FAI General Insurance Company Limited

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

Fortis Insurance Limited (formerly VACC Insurance Co. Limited)

ACN 004 167 953 *Licence suspended 30/03/1999 pending withdrawal*

Zurich Australian Insurance Limited

ACN 000 296 640 *Licence withdrawn 15/11/1997*

Commercial Union Assurance of Australia Ltd

ACN 004 478 371 *Licence withdrawn 01/03/1997*

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*

APPENDIX 4: PERFORMANCE STATEMENT (SDS)

Service Standards	Notes	2016-17 Published Annual Target	2016-17 Revised Annual Target	2016-17 Actual
Effectiveness measure				
Highest filed CTP premium for Class 1 vehicles (sedans and wagons) as a percentage of average weekly earnings		<45%	<45%	25.48%
Efficiency measures				
Percentage of the Nominal Defendant claims finalised compared to the number outstanding at the start of the financial year		50%	50%	62.3%
Percentage of Nominal Defendant claims settled within two years of compliance	1	50%	50%	73.2%
Percentage of Nominal Defendant claims with General Damages paid within 60 days of the settlement date	2	95%	95%	96.4%

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

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

APPENDIX 5: GRANTS AND SPONSORSHIPS

Organisation	Future commitment*	2016/17 \$	2015/16 \$
RECOVER Injury Research Centre formerly (CONROD) (2014-2017) incorporating: University of Queensland Griffith University allocation	*future funding to be determined discontinued	2,015,737 1,105,322 910,415	1,964,860 1,075,719 889,141
Centre for Accident Research and Road Safety Queensland (CARRS-Q)(2016 – 2019)	5,718,753	2,714,120	2,730,047
Department of Transport and Main Roads – Funding to support Transport Academic Partnership 2015-2020 – formerly Academic Strategic Transport Alliance (ASTRA).	175,588	110,018	0
University of Sunshine Coast – Young driver situation awareness fast tracking including identifying escape routes (SAFER): a pilot project.	30,923	0	30,923
Griffith University – Spinal Cord Therapy research	3,347,894	1,738,289	0
Police Citizens Youth Welfare Association (PCYC Queensland) – Funding to support operation of Braking the Cycle program across 14 branches	3,455,368	1,707,937	0
Spinal Life Australia – Back 2 Work – Vocational rehabilitation project	318,300	186,675	0
The George Institute for Global Health – Contribution towards ongoing costs of Physiotherapy Evidence Database (PEDro).	0	25,000	25,000
University of Sydney – Partnership funding to develop website to support improved physiotherapy treatment for people with whiplash.	0	8,000	28,000
University of Queensland – To support a Professorial Fellowship in Traumatic Brain Injury Research at the Queensland Brain Institute (2015-2020)	900,000	300,000	300,000
Griffith University – Partnership funding to develop and test a decision system for identifying housing options, preferences and priorities in the disability market.	55,762	71,489	72,743
Metro South Hospital and Health Service – Transitional rehabilitation service pilot (2016-2021)	11,066,121	3,609,797	0
University of Queensland via Children's Health Foundation Queensland – Partnership funding to establish a Queensland Chair in Paediatric Rehabilitation (2017 – 2022)	1,000,000	0	0
Griffith University – Partnership funding to develop a clinical pathway of care for whiplash injury.	110,625		36,875
Griffith University – Partnership funding to establish a Professor of Disability and Rehabilitation.	30,000	30,000	40,000
Spinal Injuries Association of Australia – Contribution towards continuation of Queensland school awareness programme – Spinal Education Awareness Team (SEAT).	0	0	25,000
Griffith University – Provide funding to establish Hopkins Centre to foster research into disability and rehabilitation.	5,326,305	0	0
Queensland University of Technology – Establish Trauma Data Warehouse Fellowship	599,878	0	0

Organisation	Future commitment*	2016/17 \$	2015/16 \$
University of Queensland – Funding to pilot social skills training program (PEERS) with children with acquired brain injury.	129,465	0	0
Road Trauma Mitigation Fund – Collaborate with Queensland Police Service (QPS) and Department of Transport and Main Roads (TMR) around identified initiatives to reduce claims frequency and support Qld Road Safety Strategy and Action Plan.	10,247,349	4,250,312	2,325,000
Sponsorships – Provide sponsorships to one off activities aimed at accident prevention or enhancing injury management/rehabilitation.	0	7,727	0
Total funding committed/allocated	42,512,331	16,775,102	7,578,448
Less refunds of residual grant funding			
Road Trauma Mitigation Fund	0	0	(24,940)
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.	0	0	(674)
Total Funding Returned	0	0	(25,614)
GRANT TOTAL (Allocated less returned)	42,512,331	16,775,102	7,552,834

* Estimate of grant funding committed for expenditure from 1 Jul 2017.

Ongoing projects funded in previous years

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

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

Research centres

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

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

APPENDIX 6: GLOSSARY

Term	Definition
Claim Farming	The process by which a third-party cold-calls an individual to encourage them to make a compensation claim and then 'on sells' the person's personal details to law firms.
CTP	Compulsory Third Party
DTMR	Department of Transport and Main Roads
Long-tail and short-tail insurance	In general terms, this name stems from the length of time (the tail) that it takes for a claim to be made and settled. For short-tail insurance products, claims are usually known and settled within 12 months. For long-tail insurance products, claims may not even be reported within 12 months, and settlements can take many years.
MAI Act	<i>Motor Accident Insurance Act 1994</i>
MAIC	Motor Accident Insurance Commission
NIISQ Act	<i>National Injury Insurance Scheme (Queensland) Act 2016</i>
NIISQ	<i>National Injury Insurance Scheme Queensland</i>
QAO	Queensland Audit Office
QLS	Queensland Law Society
The Agency	National Injury Insurance Agency Queensland

NIISQ CEO's REPORT

As the first Board and CEO, I am proud to report the successful establishment of the NIISQ, thanks to the positive support and collaboration of so many people and groups. This first annual report aims to share with you our story in addition to providing you with progress on our performance.

The NIISQ was established to meet an important need - supporting people who were seriously injured in motor vehicles accidents in Queensland. Thanks to the introduction of the NIISQ, the scheme is already providing lifetime care and support to seriously injured people, regardless of fault, helping them transition from hospitals, back in to their communities and homes and helping them set goals for the future. We have participants from ages 1 to 85 and from across Queensland. The NIISQ team are helping injured people access diverse resources from home and vehicle modifications to health and attendant care services right across Queensland.

From the get go, the team that has come together to establish and operate the scheme have been wonderful. A number of people within the Insurance Commission and broader Treasury have taken on NIISQ responsibilities in addition to their existing duties. New staff have joined and are clearly passionate and proud to help build a successful and trusted scheme. WorkCover Queensland kindly seconded staff to us in our early days – wherever we have looked, collaboration and help has been readily available.

Many stakeholders attended our collaboration forums during the year. I am grateful to all for their interest in the NIISQ and their willingness and availability to help us set a successful course. The NIISQ team continue to visit various groups to discuss the Scheme and help improve awareness and understanding of its role and purpose.

We have developed our strategic plan, workforce plan and operational plans as well as an interim IT solution. Monitoring reports are in place and will evolve over time as the scheme grows. Importantly the Scheme is fully funded.

In July 2016, on behalf of the NIISQ I was privileged to receive the artwork *Walking Together* from acclaimed Indigenous artist Paul Constable Callcott. Paul lives with a disability and works in the disability sector. Listening to Paul, he explained how the painting symbolises the purpose and place for the NIISQ with a focus on healing and helping injured Indigenous people become strong again. The painting is proudly on display in our Head Office as an uplifting reminder of the Scheme's connection to people and community.

Many people contributed to the successful establishment of the NIISQ. The tireless Carmel Harkin, Peter Roche, Glenda Viner, Karen Opitz all made important contributions in different ways and have moved on to other roles. Yasmin Kennedy, Nicole Quayle and Jozef Latten from Queensland Treasury provided wonderful expert support. I am grateful to them all.

My very special thanks goes to Marayke Jonkers our inspirational NIISQ ambassador. Marayke helped make the NIISQ real and gave it a voice to connect to the community when the Scheme launched. Her personal advice and guidance has been invaluable and I am hoping we will see Marayke remain involved with the NIISQ in various ways for many years to come.

Year one is full of achievement but the NIISQ is a lifetime scheme and the success of the NIISQ won't truly be known for decades to come. This will require patience, trust and confidence in the NIISQ staff and the expert advisers and custodians to guide the Scheme smoothly and soundly for the long-term. As Paul Kelly so aptly wrote 'from little things big things grow'. The NIISQ will grow – not just in financial size and scale but in building confidence for seriously injured people and their families and carers and also for the community who can trust that the NIISQ team are focused on delivering the vision of making lives better.

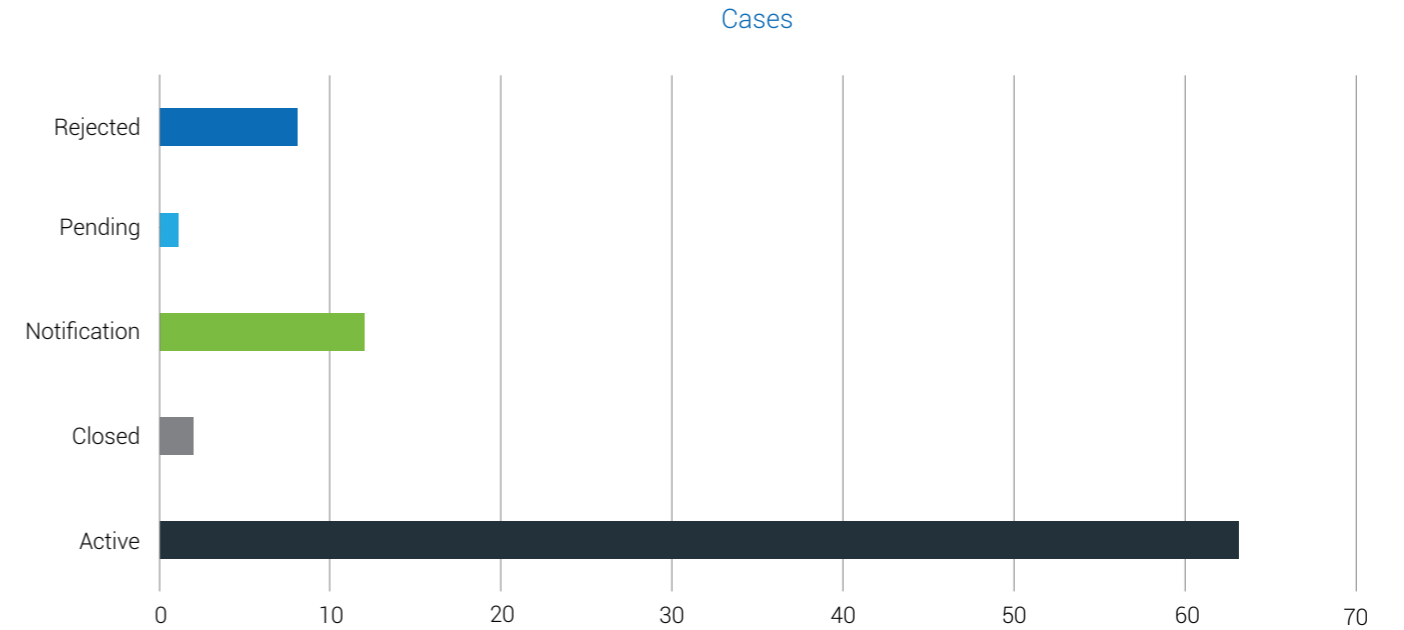
I look forward to supporting the incoming NIISQ Board in 2017-18.



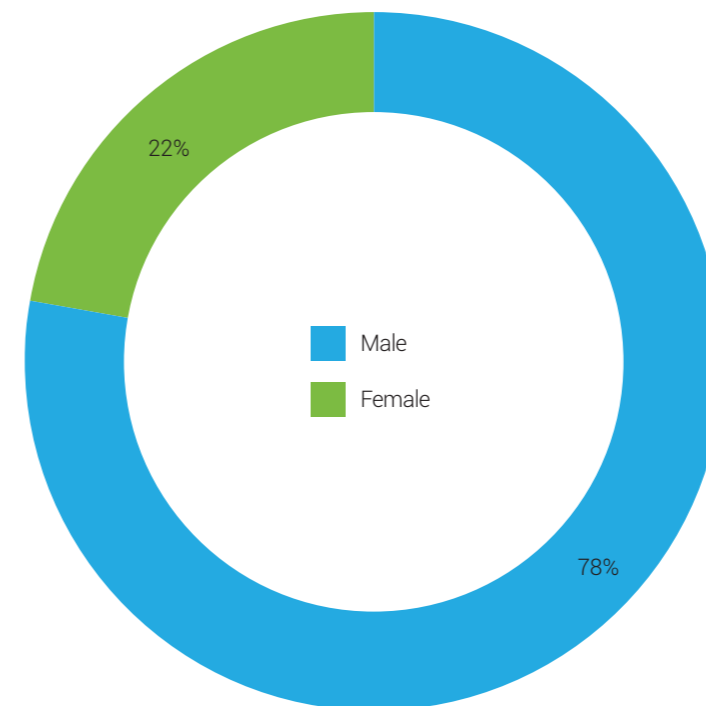
Neil Singleton
Insurance Commissioner

NIISQ Participants 2016-17

Cases by status



Participants by gender



NIISQ Participants 2016-17

The cost of administering the scheme during 2016-17 was \$461.575m including a provision for future Participants' Lifetime Treatment Care and Support Services Expenses of \$475.095m. Further details about the costs of administering the scheme in 2016-17 can be found in the National Injury Insurance Agency Queensland Annual Report. The Agency's Annual Report can be accessed at www.niis.qld.gov.au.