

## Background information

MCR was commissioned by the Motor Accident Insurance Commission (MAIC) to undertake research with CTP claimants (both legally represented and those who dealt directly with their CTP insurer) in order to understand their experiences and satisfaction with the claims process.

302 interviews (243 with legally represented claimants and 59 with direct claimants) using CATI (computer assisted telephone interviewing) were completed with those who made a claim which was settled in April, May or June 2017. MAIC provided contact details of these claimants. Age, gender and injury severity quotas were set to guide the selection process of claimants to ensure the profile of the survey sample was reflective of all claimants.

Respondents agreed (at both the beginning and end of the survey) to their identified survey responses being provided directly to MAIC for further analysis.

This report details the findings.

A similar survey of legally represented claimants was reported in 2014 (note, insurer direct claimants were not surveyed in 2014). Where relevant, results among legally represented claimants in 2017 have been compared to 2014 survey results.

## Ratings

The chart on the following page summarises the average (mean) rating scores given by respondents to various aspects of the CTP claims process. Across all claimants, scores were generally positive (the lowest score was 3.40 out of 5 and the highest score was 4.59 out of 5).

### Legally represented claimants

Legally represented claimants rated their satisfaction with their lawyer at 3.96 out of 5, the ease of organising treatment/rehabilitation at 4.00 and their level of understanding of the process at 3.40.

Ease of accessing treatment and rehabilitation was rated by legally represented claimants as the most important aspect of the CTP claims process (4.44). The quality of service received from their lawyer (4.38) or receiving independent information from the CTP regulator (4.12) were the next most important factors.

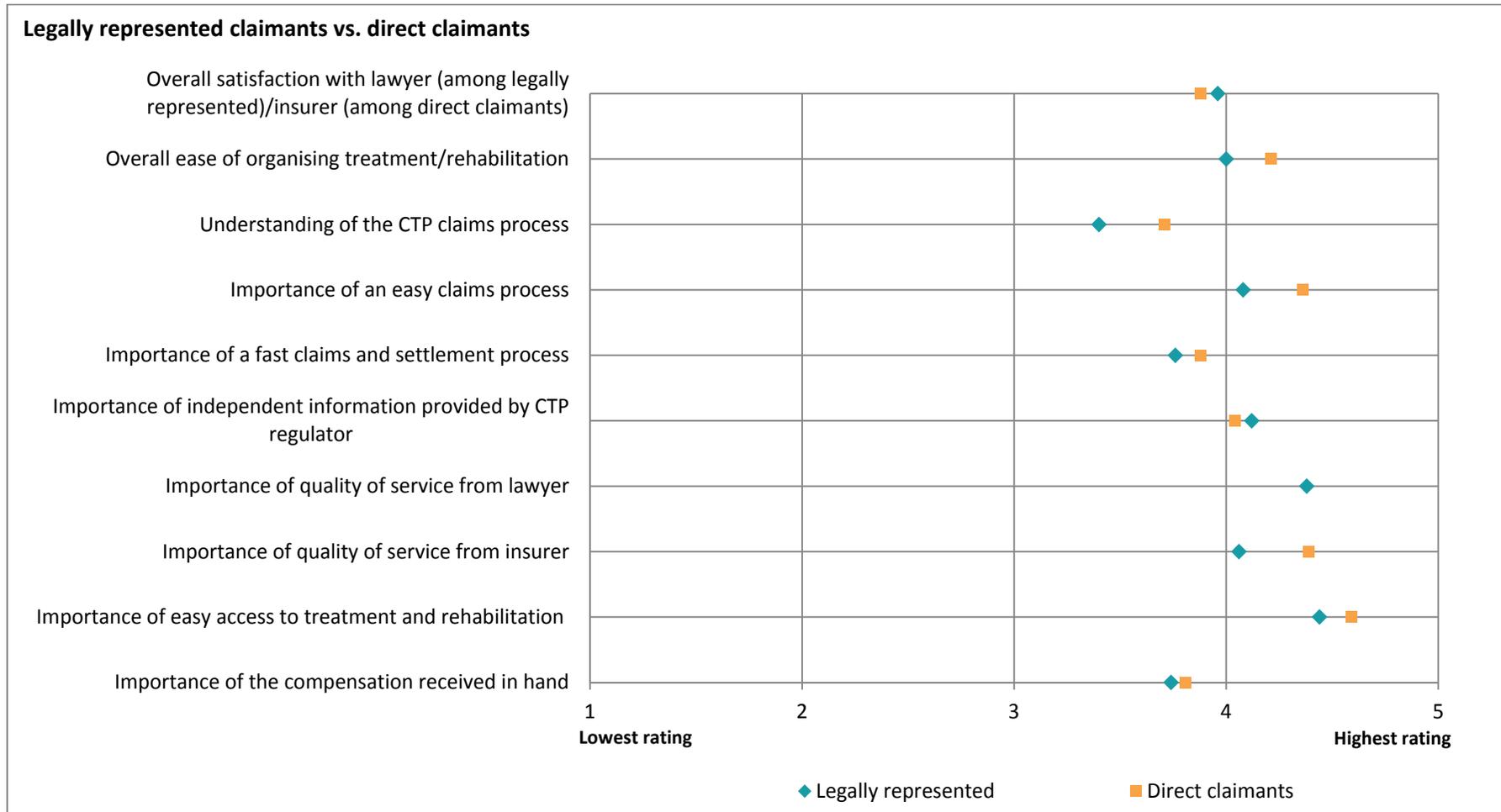
### Direct claimants

Direct claimants rated their satisfaction with their insurer at 3.88 out of 5 and the overall ease of organising treatment/rehabilitation at 4.21. They rated their understanding of the process at 3.71.

In terms of importance, ease of access to treatment and rehabilitation for injuries was rated at 4.59 and was the most important aspect of the CTP process according to direct claimants. The quality of service from their insurer (4.39) or having an easy claims process (4.36) were the next most important factors.

The chart on the following page details the results.

## Overall ratings of tested elements of the CTP claims process – Legally represented vs. direct claimants



Legally represented claimants (n=243)

Direct claimants (n=59)

Overall satisfaction with lawyer and the importance of quality of service from lawyer was only asked of legally represented claimants; overall satisfaction with insurer was asked of direct claimants.

The base for all statements above is all legally represented claimants or direct claimants except for 'Overall ease of organising treatment/rehabilitation' (legally represented n=234, direct n=56).

## Other findings

### CLAIMS PROCESS

#### Awareness of ability to lodge CTP claim

In 2017, 39% of all claimants in the study reported knowing or being aware that they could lodge a CTP claim for compensation when they first had their accident (37% among legally represented, 49% among direct claimants).

#### Source of awareness of ability to lodge CTP claim

42% of all claimants mentioned advice from family, friends or colleagues (42% among legally represented, 36% among direct claimants) as how they became aware they could lodge a CTP claim in 2017. Already knowing they could do so was the second most common response (22%, 21% among legally represented, 31% among direct claimants), followed by being informed by a legal professional (15%, 16% among legally represented, 3% among direct claimants). 8% of respondents reported that it was their CTP insurer who informed them they could lodge a CTP claim (6% among legally represented, 25% among direct claimants).

### LAWYERS

#### Reasons for engaging a lawyer to manage CTP claim

Among those who sought legal representation, the most common reason given for this was a lack of understanding of the CTP process and industry jargon (53%). Lawyers being seen as experts (33%), having persistent problems or a disability (24%) or a desire to save time, effort and stress (23%) were the next most commonly reported drivers to using a lawyer in 2017.

#### Basis upon which a particular lawyer was chosen

Word of mouth referral from family or friends (37%) was the most common basis for selecting a particular lawyer, followed by advertising (19%) or recommendations from others (e.g. insurer, other legal firms, legal aid, doctor, union) (14%).

### INSURERS

#### Insurer involved in CTP claim

One in five (22%) respondents was unaware of the insurer involved in their CTP claim. Legally represented claimants (23%) were more likely than direct claimants (8%) to have reported being unsure of the insurer involved.

### CLAIMANT BENEFITS

An analysis of the total settlement amount awarded against the amount received in the hand revealed that claimants received an average of 49.83% of their total settlement.

Legally represented claimants reportedly received 46.25% of the total settlement amount. The remaining 53.75% represents amounts paid to the claimant's legal representative along with statutory refunds. The average of all amounts reportedly paid to their lawyers was \$29,804.89.

Direct claimants reportedly retained 81.84% of the total settlement amount, the remainder likely to have been made up of statutory refunds.

## TREATMENT AND REHABILITATION

### Receipt of insurer funded treatment and rehabilitation

81% of all claimants reported receiving *insurer funded* treatment or rehabilitation (80% among legally represented, 88% among direct claimants).

### Path to treatment

56% of all legally represented claimants went through their lawyer to arrange treatment and rehabilitation. 33% went directly to the treatment provider, 9% dealt with the insurance company, while 2% were unsure.

Among all direct claimants, 54% arranged treatment/rehabilitation through the treatment provider, 44% organised it with the insurance company, while 2% were unsure.

### Reasons for not dealing directly with insurer about treatment/rehabilitation

The most common reason for legally represented claimants not dealing directly with their insurer about treatment/rehabilitation, was because their lawyer did this on their behalf (53%).

Among direct claimants who did not deal directly with their insurer about treatment/rehabilitation, 69% said this was because their treatment provider/doctor dealt with the insurer on their behalf.

### Reasons for delay in receiving treatment/rehabilitation

62% of claimants reported there were no delays in receiving treatment or rehabilitation. Of those who reported a delay, the most common cause was the insurer taking time to approve the treatment or rehabilitation (6%). 4% reported delays due to the time taken for a medical professional to provide recommendations, while 4% attributed their delay to the lack of an earlier medical appointment time.

No significant differences were found between those who were legally represented or those who dealt directly with a CTP insurer.

### LIKELIHOOD OF USING DIRECT OR INDIRECT METHOD OF CLAIMING IF EVER NEEDING TO CLAIM AGAIN

68% of claimants who were legally represented would be likely to use the same method again in the event of another claim (32% would go direct to an insurer).

75% of claimants who dealt directly with a CTP insurer would use the direct method again if they needed to make a CTP claim in the future (25% would engage a lawyer).

### FURTHER COMMENTS/IDEAS FOR IMPROVEMENT

Among all claimants, the most common comments/suggestions for improvement were:

- a suggestion to educate the claimant about the claims process (21%)
- requests for improvements to timeliness (13%)
- comments that the insurance company made the claim difficult (8%)
- comments about wanting larger amounts of compensation or future compensation (7%).

## Sub-group differences

Detailed sub-group analysis is provided throughout this report, with key differences being summarised below.

### Female claimants

More likely than average to:

- have been attracted to choosing a particular lawyer because of their reputation or expertise in injury law (5% versus 3% average)
- have organised their treatment or rehabilitation directly through the insurance company (17% versus 14% average)
- cite the reason they didn't deal directly with their insurer about their treatment/rehabilitation was because their treatment provider/doctor did so on their behalf (29% versus 24% average)
- have felt that arranging treatment/rehabilitation was easy (76% versus 71% average).

### Male claimants

More likely than average to:

- have organised their treatment or rehabilitation through a lawyer (56% versus 49% average).

### Younger claimants (aged under 40 years)

More likely than average to:

- indicate family, friends or colleagues informed them about the opportunity to lodge a CTP claim (50% versus 42% average)
- have selected their lawyer based on word of mouth referral from family or friends (46% versus 37% average)
- cite financial reasons as the cause of delays in them receiving treatment (4% versus 2% average).

Less likely than average to:

- have known they could lodge a CTP claim when they first had their accident (30% versus 39% average).

### Older claimants (aged over 40 years)

More likely than average to:

- have known they could lodge a CTP claim when they first had their accident (44% versus 39% average)
- have become aware they could lodge a CTP claim via a legal professional (19% versus 15% average).

### Claimants classified as having a minor level of injury

More likely than average to:

- have engaged a lawyer due to a need for a financial result (15% versus 12% average)
- have received insurer funded treatment or rehabilitation (84% versus 81% average).

### Claimants classified as having a moderate level of injury

More likely than average to:

- have reported experiencing a delay in receiving their treatment/rehabilitation due to the insurer taking time to approve it (13% versus 6% average) or waiting for a medical professional to provide report/recommendations to insurer (11% versus 4% average)

### Claimants classified as having a serious/critical level of injury

Claimants classified as having a serious/critical level of injury received the highest proportion of the total settlement amount (61.53%). This is compared to those with a minor level of injury (47.76%) or those with a moderate level of injury (54.60%).

## 2014 vs 2017 – Year on year results

A comparison of the results from surveying legally represented claimants in 2014 and 2017 is presented below.

- The profile of injury severity was relatively consistent between 2017 and 2014:
  - 2014 – Minor 75%, Moderate 17%, Serious 6%
  - 2017 – Minor 71%, Moderate 20%, Serious 7%.
- Between 2014 and 2017, the three most common sources of awareness about being able to lodge a CTP claim remain the same:
  - advice from family, friends or colleagues (40% 2014, 42% 2017)
  - already knowing they could (29% 2014, down to 21% 2017)
  - being informed by a legal professional (22% 2014, 16% 2017).
- In both 2017 and 2014, a lack of understanding of the CTP process and industry jargon was the most common reason for engaging legal representation (64% 2014, 53% in 2017).
- In 2017, legally represented claimants most commonly reported the same methods of selecting a lawyer as claimants in 2014, these being:
  - advice from family and friends (42% 2014, 37% 2017)
  - advertising (28% 2014, 19% 2017)
  - recommendations from others (e.g. insurer) (14% 2014, 14% 2017).
- In 2017, there has been an increase in satisfaction with lawyers among legally represented claimants (3.66 out of 5 in 2014, up to 3.96 in 2017).
- Insurers mentioned as being involved in their claim in the 2017 survey are similar to those found to be involved in the 2014 survey:
  - Suncorp (\*34% 2014, 33% 2017)
  - Allianz (14% 2014, 17% 2017)
  - RACQ Insurance (13% 2014, 16% 2017).  
\*Note in 2014 Suncorp and AAMI were combined as AAI.
- In 2014, the average of all total settlement amounts reported by legally represented claimants was \$71,511.61 compared to an average of \$93,305.46 in 2017. The average of amounts reported as being received in the hand in 2014 was equivalent to 52.05% of the total settlement amount, compared to an average of 46.25% in 2017.
- Since 2014, there has been an increase in the proportion who received insurer funded treatment (69% 2014, up to 80% 2017).
- Between 2014 and 2017 there has been an increase in the proportion who felt it was easy to organise their treatment or rehabilitation (64% 2014, increasing to 71% 2017).
- Between 2014 and 2017, a similar number of respondents reported experiencing a delay in receiving their treatment/rehabilitation (65% in 2014, 62% in 2017).
  - However, in 2017 there has been a decrease in the proportion of legally represented claimants who reported that they experienced delays in receiving their treatment/rehabilitation due to the time taken for the insurer to approve it (14% 2014, compared with 6% in 2017) or due to not having the time themselves to arrange the appointment (5% 2014, compared with 1% in 2017).
- Between 2014 and 2017 there has been no significant change in the proportion of claimants who reported being able to understand the CTP claims process (56% 2014, 49% 2017).
- In 2017, there has been an increase in the proportion of claimants making the suggestion to educate claimants/simplify knowledge about the CTP claims process (12% 2014, up to 20% 2017).

## Conclusions and recommendations

The claims process continues to be perceived as complex with claimants assessing their understanding of the process (at claim finalisation) as moderate. Furthermore, the top suggestion for improving the claims process is to increase education about this process. Continued effort to inform and educate motorists is therefore recommended.

This year, an increase in the proportion of respondents who received insurer funded treatment or rehabilitation is noted, along with a corresponding increase in satisfaction with ease of organising treatment and a decrease in treatment delays (among legally represented claimants). However, three in ten respondents are of the view that organising their treatment or rehabilitation is a difficult process. As this was rated by respondents as the most important part of the CTP claims process, continued attention to this aspect is warranted.

Overall, claimant satisfaction with either their lawyer (among legally represented claimants) or their insurer (among direct claimants) is positive in 2017. Although the proportion of the settlement received in the hand by legally represented claimants has decreased since 2014, overall satisfaction with lawyers among this segment has increased between 2014 and 2017.

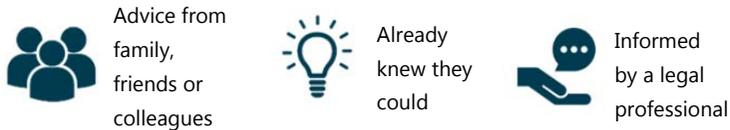
# MAIC Claimant Research 2017

## BEGINNING THE CLAIMS PROCESS

**39%** of claimants knew they could lodge a CTP claim when they first had their accident



Top 3 sources of awareness:



**53%** of legally represented claimants engaged a lawyer due to a lack of understanding of CTP claims process & industry jargon.

Reasons for choosing a particular lawyer:



Among direct claimants, the top three insurers involved in their claim were:



## DURING THE CLAIMS PROCESS

**81%** received insurer funded treatment or rehabilitation



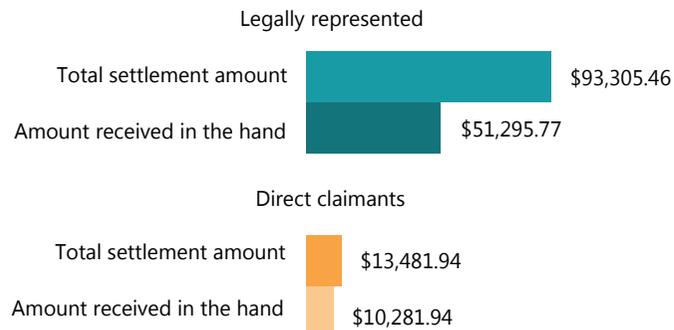
**71%** of those who received insurer funded treatment or rehabilitation felt it was easy to organise



**19%** experienced a delay in receiving their treatment or rehabilitation. The top 3 reasons reported were:

1. The insurer taking a long time to approve the treatment/rehabilitation
2. The time taken by a medical professional/health provider to provide recommendations
3. Having to wait for an appointment with a medical professional/health provider

On average, the settlement amount reportedly received by the claimant was:



## REFLECTING ON THE CLAIMS PROCESS

**50%** of claimants reported having a good understanding of the CTP claims process



**70%** of legally represented claimants were satisfied with their lawyer. **68%** would engage a lawyer in the event of a future claim.

**66%** of direct claimants were satisfied with their insurer. **75%** would use this method if needing to claim again.

Among legally represented claimants, the 3 most important aspects of the claims process were:

1. Easy access to treatment/rehabilitation
2. Quality of service from lawyer
3. Independent information from CTP regulator

Among direct claimants, the 3 most important factors were:

1. Easy access to treatment/rehabilitation
2. Quality of service from insurer
3. An easy claims process

Top comments/suggestions to improve CTP claims process:

