



# MAiC Overview: 2019-2020

Neil Singleton – Insurance Commissioner

7 March 2019



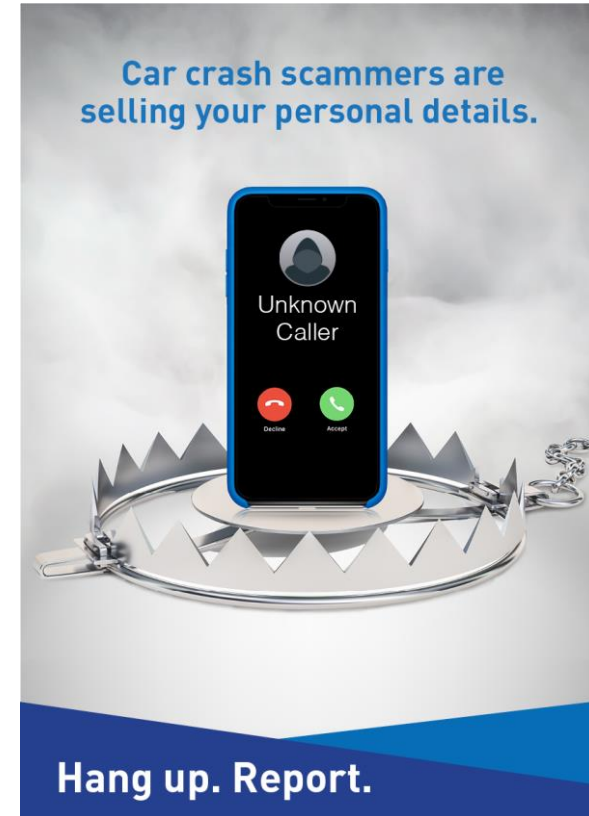
# Overview

- Claim farming reforms
- Flexible registration initiative
- Autonomous Vehicle reforms (NTC)
- Data monitoring and analytics investment
- Insights into Action
- Motor Dealer channel
- Strengthening regulatory framework



# CTP Scheme Reforms

- **Timing subject to Government timetable**
  - Current timeline - April Introduction to Parliament
  - Committee referral then implementation August/September 2019
- **Reform intent**
  - Protect the broader community and preserve scheme integrity and affordability
  - Establish a series of barriers to deter scams, harassment, privacy breaches etc
  - Establish a strong investigation and prosecution regime
- Ongoing engagement, consultation and communication with stakeholders
- Remain vigilant to changing business models and styles of scams
- MAIC to continue public advertising/awareness campaigns



# Flexible registration – One Month Renewals

- DTMR target implementation November 2019
- Surcharges/charges to be removed from 1 July 2019:
  - Regulation s7(1) and s8(4) to be amended
  - Adjustment to be made to Insurer Policy & Acquisition expense allowance
- Ongoing DTMR-Insurer IT project meetings



# Autonomous Vehicles (AV) - NTC reforms

- NTC report to Transport Infrastructure Committee (May 2019)
- Includes review of CTP scheme application to AV's
- Key principles/areas of focus include:
  - Vehicle does not require a human to be in control
  - No injured person to be better or worse off if injured by an AV
  - CTP Insurer recovery rights against vehicle Operating System where OS 'engaged'
- Implementation date for reforms to be agreed
- Further info at [www.ntc.gov.au](http://www.ntc.gov.au)



# Data monitoring and analytics investment

- **Increased analytics capabilities and Insights**
  - Automated visualisations and dashboards
  - Interactive maps
  - Pattern recognition, clustering, machine learning
- **Scheme performance**
  - New claim and cost trends, distribution channel trends, fraud trends
- **Insurer performance**
  - Compliance, performance, benchmarks, issues for greater investigation
- **Service provider trends**
  - New claims and/or transfers between law firms
  - Identifying unusual patterns in new claims or service provider connections





# Insight into action: new claim trends

- MAIC wrote to 338 law firms (May 2018)
  - Firms shown on PIR as acting in a QLD CTP claim
  - Outlined MAIC role and purpose in monitoring and understanding scheme trends
- MAIC has subsequently met with a number of law firms
  - Understand law firm business model and recent new claim trends
  - Meetings have been constructive...and beneficial
  - Opportunity for law firms to raise issues or concerns
- Ongoing quarterly monitoring



# Insight into action: Motor Dealer channel

- **Ensuring the motor vehicle operator can elect the CTP insurer of their choice**
- Ongoing quarterly monitoring of channel performance and engagement with insurers
- Annual s72A declaration process
- Ongoing engagement with DTMR and Office of Fair Trading.





# Strengthening Regulatory Framework

## 2017-2018:

- Post CTP Scheme Review - moving from light touch to more active supervision stance: 'New MAIC'
- Increased supervision and analytics resources

## 2019:

- Post-Hayne: further strengthening of Regulatory landscape

